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**State:** District of Columbia **Filing Company:** ACE American Insurance Company  
**TOI/Sub-TOI:** 17.0 Other Liability-Occ/Claims Made/17.0022 Other  
**Product Name:** 19-GL-2017532  
**Project Name/Number:** Product Recall Refile/19-GL-2017532

## Filing at a Glance

Company: ACE American Insurance Company  
Product Name: 19-GL-2017532  
State: District of Columbia  
TOI: 17.0 Other Liability-Occ/Claims Made  
Sub-TOI: 17.0022 Other  
Filing Type: Form  
Date Submitted: 11/12/2019  
SERFF Tr Num: ACEH-132148584  
SERFF Status: Submitted to State  
State Tr Num:  
State Status:  
Co Tr Num: 19-GL-2017532  
  
Effective Date: On Approval  
Requested (New):  
Effective Date: On Approval  
Requested (Renewal):  
Author(s): Jonathan Little, James Leung  
Reviewer(s):  
Disposition Date:  
Disposition Status:  
Effective Date (New):  
Effective Date (Renewal):

**State:** District of Columbia **Filing Company:** ACE American Insurance Company  
**TOI/Sub-TOI:** 17.0 Other Liability-Occ/Claims Made/17.0022 Other  
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## General Information

Project Name: Product Recall Refile  
Project Number: 19-GL-2017532  
Reference Organization:  
Reference Title:  
Filing Status Changed: 11/12/2019  
State Status Changed:  
Created By: James Leung  
Corresponding Filing Tracking Number:

Status of Filing in Domicile:  
Domicile Status Comments:  
Reference Number:  
Advisory Org. Circular:

Deemer Date:  
Submitted By: James Leung

### Filing Description:

We are filing our new Chubb Recall Plus Product Recall program. This new program offers both first and third party coverage, protecting the Insured's balance sheet and business by reimbursing them for financial loss (recall costs, business interruption, replacement costs, extra expenses, rehabilitation expenses) resulting from an insured event.

Our Chubb Recall Plus program includes products for the following lines:

- Recall Insurance for Consumable Products
- Recall Insurance for Consumer Goods
- Recall Insurance for Component Parts Manufacturers

Included with this filing are copies of all coverage forms and related supplemental forms, rating rules, and supplemental rating exhibits.

## Company and Contact

### Filing Contact Information

James Leung, Product Analyst James.Leung@Chubb.com  
436 Walnut Street 215-640-4704 [Phone]  
Philadelphia, PA 19106

### Filing Company Information

ACE American Insurance Company	CoCode: 22667	State of Domicile:
PO Box 1000	Group Code: 626	Pennsylvania
436 Walnut Street	Group Name: Chubb	Company Type: Stock
Philadelphia, PA 19106	FEIN Number: 95-2371728	State ID Number:
(215) 640-1811 ext. [Phone]		

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

<b>SERFF Tracking #:</b>	ACEH-132148584	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	19-GL-2017532
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	ACE American Insurance Company		
<b>TOI/Sub-TOI:</b>	17.0 Other Liability-Occ/Claims Made/17.0022 Other				
<b>Product Name:</b>	19-GL-2017532				
<b>Project Name/Number:</b>	Product Recall Refile/19-GL-2017532				

## Correspondence Summary

### Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Form	Chubb Recall Plus Insurance - For Component Parts	Jonathan Little	11/14/2019	11/14/2019
Form	Chubb Recall Plus Insurance - For Consumable Products	Jonathan Little	11/14/2019	11/14/2019
Form	Chubb Recall Plus Insurance - For Consumer Goods	Jonathan Little	11/14/2019	11/14/2019

<b>SERFF Tracking #:</b>	ACEH-132148584	<b>State Tracking #:</b>		<b>Company Tracking #:</b>	19-GL-2017532
<b>State:</b>	District of Columbia	<b>Filing Company:</b>	ACE American Insurance Company		
<b>TOI/Sub-TOI:</b>	17.0 Other Liability-Occ/Claims Made/17.0022 Other				
<b>Product Name:</b>	19-GL-2017532				
<b>Project Name/Number:</b>	Product Recall Refile/19-GL-2017532				

## Amendment Letter

Submitted Date: 11/14/2019

### Comments:

We have attached revised copies of the three coverage forms: REC-51657a, REC-51660a, and REC-51663a. These forms have been revised to correct a numbering error. No other chnages have been made. I apologize for the oversight and any resulting inconvenience. Please let me know if you have any questions.

Changed Items:

State: District of Columbia Filing Company: ACE American Insurance Company  
 TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0022 Other  
 Product Name: 19-GL-2017532  
 Project Name/Number: Product Recall Refile/19-GL-2017532

Form Schedule Item Changes									
Item No.	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
1	Chubb Recall Plus Insurance - For Component Parts	REC-51657a	(06/19)	PCF	New		0.000	REC-51657a (06-19) - Product Recall Component Parts Policy FT (1).pdf	Date Submitted: 11/14/2019 By:
Previous Version									
1	Chubb Recall Plus Insurance - For Component Parts	REC-51657a	(06/19)	PCF	New		0.000	REC-51657a (06-19) - Product Recall Component Parts Policy FT.pdf	Date Submitted: 11/12/2019 By: James Leung
2	Chubb Recall Plus Insurance - For Consumable Products	REC-51660a	(06/19)	PCF	New		0.000	REC-51660a (06-19) - Product Recall Consumable Products Policy FT (1).pdf	Date Submitted: 11/14/2019 By:
Previous Version									
2	Chubb Recall Plus Insurance - For Consumable Products	REC-51660a	(06/19)	PCF	New		0.000	REC-51660a (06-19) - Product Recall Consumable Products Policy FT.pdf	Date Submitted: 11/12/2019 By: James Leung
3	Chubb Recall Plus Insurance - For Consumer Goods	REC-51663a	(06/19)	PCF	New		0.000	REC-51663a (06-19) - Product Recall Consumer Goods Policy FT (1).pdf	Date Submitted: 11/14/2019 By:
Previous Version									
3	Chubb Recall Plus Insurance - For Consumer Goods	REC-51663a	(06/19)	PCF	New		0.000	REC-51663a (06-19) - Product Recall Consumer Goods Policy	Date Submitted: 11/12/2019 By: James Leung

State:	District of Columbia	Filing Company:	ACE American Insurance Company
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Product Name:	19-GL-2017532		
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Form Schedule Item Changes									
Item No.	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments	Submitted
								FT.pdf	

No Rate Schedule Items Changed.

No Supporting Documents Changed.

SERFF Tracking #:

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State:

District of Columbia

Filing Company:

ACE American Insurance Company

TOI/Sub-TOI:

17.0 Other Liability-Occ/Claims Made/17.0022 Other

Product Name:

19-GL-2017532

Project Name/Number:

Product Recall Refile/19-GL-2017532

## Form Schedule

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		CHUBB Recall Plus - Consumer Goods	REC-7514a	(06/19)	ABE	New		0.000	REC-7514a (06-19) Chubb Recall Plus Application - Consumer Goods.pdf
2		CHUBB Recall Plus - Component	REC-7516a	(06/19)	ABE	New		0.000	REC-7516a (06-19) Chubb Recall Plus Application - Component Parts.pdf
3		CHUBB Recall Plus - Consumable Products	REC-7518a	(06/19)	ABE	New		0.000	REC-7518a (06-19) Chubb Recall Plus Application - Consumable Products.pdf
4		Chubb Recall Plus-First Steps in a Crisis	REC-7539a	(08/19)	DSC	New		0.000	REC-7539a (08-19) First Steps in a Crisis PHN.pdf
5		Chubb Recall Plus-Policy Intro	REC-7540a	(08/19)	DSC	New		0.000	REC-7540a (08-19) Product Recall Policy Intro_08202019.pdf
6		Chubb Recall Plus-Claims Notification	REC-7563a	(08/19)	DSC	New		0.000	REC-7563a (08-19) - Product Recall Claims Notification.pdf
7		EXCLUSION OF CERTIFIED ACTS OF TERRORISM	REC-7505	(01/15)	END	New		0.000	REC-7505 (01_15) Exclusion Of Certified Acts Of Terrorism.pdf
8		CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM	REC-7506	(01/15)	END	New		0.000	REC-7506 (01-15) Exclusion Of Punitive Damages Related To A Certified Ac .pdf

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Filing Company:

ACE American Insurance Company

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
9		REC-7569 (01/15) Includes copyrighted material of Insurance Services Office, Inc., with its permission	REC-7569	(01/15)	END	New		0.000	REC-7569 (01_15) Cap on Losses From Certified Acts of Terrorism.pdf
10		RESTRICTIONS OF TERRORISM COVERAGE WHEN THE POLICY INCLUDES THE CONDITIONAL CONDITIONAL	REC-51898	(10/19)	DSC	New		0.000	REC-51898 (10-19) Product Recall - TRIPRA Policyholder Notice _Conditional Exclusion_10012. __.pdf
11		CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)	REC-51899	(10/19)	END	New		0.000	REC-51899 (10-19) Product Recall - Conditional Exclusion of Terrorism_10022 019.pdf
12		Chubb Recall Plus Insurance - For Component Parts	REC-51657a	(06/19)	PCF	New		0.000	REC-51657a (06-19) - Product Recall Component Parts Policy FT (1).pdf
13		Chubb Recall Plus Insurance - For Consumable Products	REC-51660a	(06/19)	PCF	New		0.000	REC-51660a (06-19) - Product Recall Consumable Products Policy FT (1).pdf
14		Chubb Recall Plus Insurance - For Consumer Goods	REC-51663a	(06/19)	PCF	New		0.000	REC-51663a (06-19) - Product Recall Consumer Goods Policy FT (1).pdf



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Filing Company: ACE American Insurance Company

Item No.	Schedule Item Status	Form Name	Form Number	Edition Date	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
15		Chubb Recall Plus Insurance - For Component Parts Declaration Page	REC-51666a	(06/19)	DEC	New		0.000	REC-51666a (06-19) Component Parts - Declaration Page Admitted - Var.pdf
16		Chubb Recall Plus Insurance - For Consumable Products Declaration Page	REC-51669a	(06/19)	DEC	New		0.000	REC-51669a (06-19) Consumable Products - Declaration Page Admitted - Var.pdf
17		Chubb Recall Plus Insurance - For Consumer Goods Declaration Page	REC-51672a	(06/19)	DEC	New		0.000	REC-51672a (06-19) Consumer Goods - Declaration Page Admitted - Var.pdf
18		DISTRICT OF COLUMBIA CHANGES	REC-51755	(02/19)	END	New			REC-51755_DC Changes(edited).pdf

**Form Type Legend:**

<b>ABE</b>	Application/Binder/Enrollment	<b>ADV</b>	Advertising
<b>BND</b>	Bond	<b>CER</b>	Certificate
<b>CNR</b>	Canc/NonRen Notice	<b>DEC</b>	Declarations/Schedule
<b>DSC</b>	Disclosure/Notice	<b>END</b>	Endorsement/Amendment/Conditions
<b>ERS</b>	Election/Rejection/Supplemental Applications	<b>OTH</b>	Other

**CHUBB®**

**CHUBB Recall Plus<sup>SM</sup>**

**Consumer Goods  
Small Business Application Form**

Underwritten by  
ACE American Insurance Company



**Chubb Recall Plus<sup>SM</sup>**  
Consumer Goods  
Small Business Application Form

Please answer the following questions to provide Chubb with the information necessary to properly evaluate your product recall insurance. This information is not only vital for evaluating your exposure; it will also provide Chubb with an accurate profile of your company so that we can be an informed partner in this program:

- All questions must be answered completely – if you need more space please continue on a separate sheet of paper and indicate question number.
- Indicate which, if any, of the following are maintained. Please attach a copy of plan/supporting documentation for each program indicated to be maintained.
  - ☐ Recall Plan
  - ☐ Quality Control / Assurance Plan (incl. SOPs and GMPs)
  - ☐ Supplier Approval Plan / Program (incl. contract if in place)
- This application must be signed and dated by an officer of the company
- This application will be attached to and made a part of any policy we issue.

### APPLICANT'S DETAILS

1. Name and Address of Applicant: \_\_\_\_\_  
(Please attach list of subsidiaries, if applicable under this policy)

Street Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP Code \_\_\_\_\_

2. Main Contact Name: \_\_\_\_\_ Main Contact Phone: \_\_\_\_\_

3. Website: \_\_\_\_\_

4. Date company was first established: \_\_\_\_\_

5. Business Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Please list the sales figures for the upcoming year, the current year, and the prior year:

Year	Total Sales	USA / Canada(%)	Europe (%)	Other (%)
	\$	%	%	%
	\$	%	%	%
	\$	%	%	%

## LOSS INFORMATION

7. In the last 10 years have you withdrawn or recalled any products or have you been responsible for the costs incurred by any third party arising from the withdrawal or recall of any products regardless of any subrogation? (If yes, please complete a claims supplemental form) ☐ Yes ☐ No
8. Does the company, its directors and officers have any knowledge of any current situation, fact or circumstances which might lead to a claim under this policy? (If yes, please provide details) ☐ Yes ☐ No

## LIMITS & SELF INSURED RETENTION

Limits of Insurance Requested:

- ☐ \$25,000  
☐ \$50,000  
☐ \$100,000  
☐ \$250,000  
☐ \$500,000  
☐ \$1,000,000

Self-Insured Retention Requested:

- ☐ \$2,500  
☐ \$5,000  
☐ \$10,000  
☐ \$25,000  
☐ \$50,000  
☐ \$100,000  
☐ \$250,000

## COVERAGE

Please indicate what elements of Loss you would like to have covered:

- ☐ Basic Package = Recall Costs, Replacement Costs, Consultant Costs with a 12 Month Retro Date
- ☐ Standard Package = Recall Costs, Replacement Costs, Loss of Profit, Rehabilitation Expense, Extra Expense, Consultant Costs with a 12 Month Retro Date
- ☐ Enhanced Package = Recall Costs, Replacement Costs, Loss of Profit, Rehabilitation Expense, Extra Expense, Consequential Damages, Consultant Costs with a 12 Month Retro Date

## DECLARATIONS

I declare that, to the the best of my knowledge, the statements and particulars in this application are true and that no material facts have been misstated or suppressed after enquiry. I agree that this application, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before completion of the contract of insurance. A material fact is one which would influence the acceptance or assessment of the risk.

In addition, I certify that I have read and understand the applicable fraud warnings set forth below:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_

**Producer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**FRAUD WARNING STATEMENTS**

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO COLORADO APPLICANTS:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**NOTICE TO FLORIDA APPLICANTS:** Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

**NOTICE TO KENTUCKY APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**NOTICE TO MAINE APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO MINNESOTA APPLICANTS:** A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**NOTICE TO NEW MEXICO APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

**NOTICE TO NEW YORK APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**NOTICE TO OHIO APPLICANTS:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance or statement of claim containing any materially false information, or conceals information for the purpose of misleading, commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

**NOTICE TO PENNSYLVANIA APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**NOTICE TO ALL OTHER APPLICANTS:**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

**CHUBB®**

**CHUBB Recall Plus<sup>SM</sup>**

**Component Parts  
Small Business Application Form**

Underwritten by  
ACE American Insurance Company



Please answer the following questions to provide Chubb with the information necessary to properly evaluate your product recall insurance. This information is not only vital for evaluating your exposure; it will also provide Chubb with an accurate profile of your company so that we can be an informed partner in this program:

- All questions must be answered completely – if you need more space please continue on a separate sheet of paper and indicate question number.
- Indicate which, if any, of the following are maintained. Please attach a copy of plan/supporting documentation for each program indicated to be maintained.
  - ☐ Recall Plan
  - ☐ Quality Control / Assurance Plan (incl. SOPs and GMPs)
  - ☐ Supplier Approval Plan / Program (incl. contract if in place)
- This application must be signed and dated by an officer of the company
- This application will be attached to and made a part of any policy we issue.

## APPLICANT'S DETAILS

1. Name and Address of Applicant: \_\_\_\_\_  
 (Please attach list of subsidiaries, if applicable under this policy)

Street Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP Code \_\_\_\_\_

2. Main Contact Name: \_\_\_\_\_ Main Contact Phone: \_\_\_\_\_

3. Website: \_\_\_\_\_

4. Date company was first established: \_\_\_\_\_

5. Business Description: \_\_\_\_\_

6. Please list the sales figures for the upcoming year, the current year, and the prior year:

Year	Total Sales	USA / Canada(%)	Europe (%)	Other (%)
	\$	%	%	%
	\$	%	%	%
	\$	%	%	%

## LOSS INFORMATION

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7. In the last 10 years have you withdrawn or recalled any products or have you been responsible for the costs incurred by any third party arising from the withdrawal or recall of any products regardless of any subrogation? (If yes, please complete a claims supplemental form) ☐ Yes ☐ No
8. Does the company, its directors and officers have any knowledge of any current situation, fact or circumstances which might lead to a claim under this policy? (If yes, please provide details) ☐ Yes ☐ No

## LIMITS & SELF INSURED RETENTION

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Limits of Insurance Requested:

- ☐ \$25,000  
☐ \$50,000  
☐ \$100,000  
☐ \$250,000  
☐ \$500,000  
☐ \$1,000,000

Self-Insured Retention Requested:

- ☐ \$2,500  
☐ \$5,000  
☐ \$10,000  
☐ \$25,000  
☐ \$50,000  
☐ \$100,000  
☐ \$250,000

## COVERAGE

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Please indicate what elements of Loss you would like to have covered:

- ☐ Basic Package = Recall Costs, Consultant Costs with a 12 Month Retro Date
- ☐ Standard Package = Recall Costs, Replacement Costs, Consultant Costs with a 12 Month Retro Date
- ☐ Enhanced Package = Recall Costs, Replacement Costs, Consequential Damages, Consultant Costs with a 12 Month Retro Date

## DECLARATIONS

---

I declare that, to the best of my knowledge, the statements and particulars in this application are true and that no material facts have been misstated or suppressed after enquiry. I agree that this application, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before completion of the contract of insurance. A material fact is one which would influence the acceptance or assessment of the risk.

In addition, I certify that I have read and understand the applicable fraud warnings set forth below:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_

**Producer Signature:** \_\_\_\_\_ **Date:** \_\_\_\_\_

## **FRAUD WARNING STATEMENTS**

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO COLORADO APPLICANTS:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

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**NOTICE TO MAINE APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

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**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**NOTICE TO NEW MEXICO APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

**NOTICE TO NEW YORK APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact



**Chubb Recall Plus<sup>SM</sup>**  
**Component Parts Products**  
**Small Business Application Form**

material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**NOTICE TO OHIO APPLICANTS:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance or statement of claim containing any materially false information, or conceals information for the purpose of misleading, commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

**NOTICE TO PENNSYLVANIA APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**NOTICE TO ALL OTHER APPLICANTS:**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

**CHUBB®**

**CHUBB Recall Plus<sup>SM</sup>**

**Consumable Products  
Small Business Application Form**

Underwritten by  
ACE American Insurance Company

Please answer the following questions to provide Chubb with the information necessary to properly evaluate your product recall insurance. This information is not only vital for evaluating your exposure; it will also provide Chubb with an accurate profile of your company so that we can be an informed partner in this program:

- All questions must be answered completely – if you need more space please continue on a separate sheet of paper and indicate question number.
- Indicate which, if any, of the following are maintained. Please attach a copy of plan and/or supporting documentation for each program indicated to be maintained
  - ☐ Recall Plan
  - ☐ HACCP Plan and / or Preventive Controls Program per FDA FSMA
  - ☐ Quality Control / Assurance Plan (incl. SSOPs and GMPs)
  - ☐ Supplier Approval Plan / Program (incl. contract if in place)
- This application must be signed and dated by an officer of the company
- This application will be attached to and made a part of any policy we issue.

**APPLICANT'S DETAILS**

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1. Name and Address of Applicant: \_\_\_\_\_  
(Please attach list of subsidiaries, if applicable under this policy)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
ZIP Code

2. Main Contact Name: \_\_\_\_\_ Main Contact Phone: \_\_\_\_\_

3. Website: \_\_\_\_\_

4. Date company was first established: \_\_\_\_\_

5. Business Description: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

6. Please list the sales figures for the upcoming year, the current year, and the prior year:

Year	Total Sales	USA / Canada(%)	Europe (%)	Other (%)
	\$	%	%	%
	\$	%	%	%
	\$	%	%	%

## LOSS INFORMATION

7. In the last 10 years have you withdrawn or recalled any products or have you been responsible for the costs incurred by any third party arising from the withdrawal or recall of any products regardless of any subrogation? (If yes, please complete a claims supplemental form) ☐ Yes ☐ No
8. Does the company, its directors and officers have any knowledge of any current situation, fact or circumstances which might lead to a claim under this policy? (If yes, please provide details) ☐ Yes ☐ No

## LIMITS & SELF INSURED RETENTION

Limits of Insurance Requested:

- ☐ \$25,000  
☐ \$50,000  
☐ \$100,000  
☐ \$250,000  
☐ \$500,000  
☐ \$1,000,000

Self-Insured Retention Requested:

- ☐ \$2,500  
☐ \$5,000  
☐ \$10,000  
☐ \$25,000  
☐ \$50,000  
☐ \$100,000  
☐ \$250,000

## COVERAGE

Please indicate what elements of Loss you would like to have covered:

- ☐ Basic Package = Recall Costs, Replacement Costs, Adverse Publicity, Consultant Costs
- ☐ Standard Package = Recall Costs, Replacement Costs, Loss of Profit, Rehabilitation Expense, Extra Expense, Adverse Publicity, Extortion Costs, Consultant Costs
- ☐ Enhanced Package = Recall Costs, Replacement Costs, Loss of Profit, Rehabilitation Expense, Extra Expense, Adverse Publicity, Consequential Damages, Extortion Costs, Consultant Costs

## DECLARATIONS

I declare that, to the best of my knowledge, the statements and particulars in this application are true and that no material facts have been misstated or suppressed after enquiry. I agree that this application, together with any other information supplied shall form the basis of any contract of insurance effected thereon. I undertake to inform the Insurers of any material alteration to those facts occurring before completion of the contract of insurance. A material fact is one which would influence the acceptance or assessment of the risk.

In addition, I certify that I have read and understand the applicable fraud warnings set forth below:

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Position: \_\_\_\_\_

Producer Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**FRAUD WARNING STATEMENTS**

**NOTICE TO ALABAMA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

**NOTICE TO ARKANSAS, LOUISIANA, RHODE ISLAND AND WEST VIRGINIA APPLICANTS:** Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO COLORADO APPLICANTS:** It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

**NOTICE TO FLORIDA APPLICANTS:** Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

**NOTICE TO KENTUCKY APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

**NOTICE TO MAINE APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

**NOTICE TO MARYLAND APPLICANTS:** Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NOTICE TO MINNESOTA APPLICANTS:** A person who submits an application or files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

**NOTICE TO NEW JERSEY APPLICANTS:** Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

**NOTICE TO NEW MEXICO APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.

**NOTICE TO NEW YORK APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.



**NOTICE TO OHIO APPLICANTS:** Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

**NOTICE TO OREGON APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or another person, files an application for insurance or statement of claim containing any materially false information, or conceals information for the purpose of misleading, commits a fraudulent insurance act, which may be a crime and may subject such person to criminal and civil penalties.

**NOTICE TO PENNSYLVANIA APPLICANTS:** Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**NOTICE TO TENNESSEE, VIRGINIA AND WASHINGTON APPLICANTS:** It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

**NOTICE TO ALL OTHER APPLICANTS:**

**ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON, FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS INFORMATION FOR THE PURPOSE OF MISLEADING, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND MAY SUBJECT SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.**

### POLICY NUMBER:

This is your guide addressing how to access the **CHUBB RECALL PLUS<sup>SM</sup>** Hotline. Please use the information below to gain fast access to our Crisis Consultants on call to respond to your crisis needs. Also, remember that all claims correspondence should be notified through your normal broker channels.

### CHUBB RECALL PLUS HOTLINE

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In the event of an incident that may be covered under the terms of the policy contract, the **CHUBB RECALL PLUS<sup>SM</sup>** Hotline available 24 hours a day, 7 days a week to advise, assist and respond to emergency situations involving **CHUBB RECALL PLUS<sup>SM</sup>** policy holders.

### CONTACT NUMBER

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The 24-hour crisis response contact number for the **CHUBB RECALL PLUS<sup>SM</sup>** Hotline is:

**1-800-508-4119**

Please quote policy number if available. Callers will speak directly to an experienced consultant.

### OTHER ACTIONS TO BE TAKEN

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In the event of an incident that may be covered under this policy, and whether or not the **CHUBB RECALL PLUS<sup>SM</sup>** Hotline has been contacted, the following Chubb representative mailbox is to be notified (via your broker) in order to be in compliance with the notice requirements of this policy:

**Chubbclaimsfirstnotice@chubb.com**

### All written communications should be addressed to:

Chubb North American Claims  
P.O. Box 1522  
Scranton, PA. 18505-0554

*This information is intended as a guide to help you understand and maximize your benefits under your Chubb Recall Plus<sup>SM</sup> product recall insurance policy. It does not alter the insurance policy contract, but rather is a summary only. Please refer to the policy for actual terms, conditions, exclusions and limitations. When you retain one of the consultants listed above for pre-incident consultation, the consultant will be working for you, not Chubb. Post-Incident consultation costs are a claim benefit under the policy. Chubb does not provide independent loss prevention consultation. Neither pre-incident nor post-incident consultation activities of the consultant are a substitute for advice from your own legal counsel or safety expert.*

*"Chubb" refers to ACE American Insurance Company as the insurer in your Chubb Recall Plus policy.*

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**POLICY NUMBER:**

Your **CHUBB RECALL PLUS<sup>SM</sup>** product recall insurance policy is enclosed. Please read the policy in its entirety. If you have any questions, please contact your insurance broker.

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**HOW DOES THE POLICY WORK?**

This packet includes both your insurance policy and information concerning a crisis response service available to you on a pre- and post-incident basis. You must comply with the policy conditions and instructions set forth herein to be eligible for this and other policy benefits.

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**WHO ARE THE CRISIS CONSULTANTS?**

In an effort to support the ongoing risk management programs of our policyholders, Chubb actively maintains relationships with several of the leading global product recall consultants. These consultants provide expertise in product safety and regulatory compliance for companies that design, manufacture, distribute, retail, and import/export products into the global stream of commerce.

Utilizing the expertise of this consultant network, policyholders are afforded access to resources that aid in the program development necessary for successful preparation and deployment of a product recall. In addition to pre-event planning, this network continues to be available for vital post-event consultation during the lifecycle of an actual recall.

While this consultant network is comprised of industry leading product recall professionals, as the policyholder, you are not bound or obligated to the utilization of these aforementioned consultants in regard to post event services that may be required in response to a recall event.

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**INITIAL CONSULTATION**

**Chubb RECALL PLUS<sup>SM</sup>** entitles you to a free consultation with our consultants for the purpose of introducing the pre-incident services available through our consultant network.

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**CHUBB PRODUCT RECALL HOTLINE**

This gives you your number to call in order to access Chubb's dedicated crisis consultants. Please make yourselves familiar with the **First Steps In A Crisis** page and ensure the person(s) who can initiate a recall have a copy of the hotline number.

*"Chubb" refers to ACE American Insurance Company as the insurer in your Chubb Recall Plus<sup>SM</sup> policy.*

**POLICY NUMBER:**

In the event of an incident that may be covered under this policy, the following Chubb representative mailbox is to be notified (via your broker) in order to be in compliance with the notice requirements of this policy:

**Chubbclaimsfirstnotice@chubb.com**

**All written communications should be addressed to:**

Chubb North American Claims  
P.O. Box 1522  
Scranton, PA. 18505-0554

*"Chubb" refers to ACE American Insurance Company as the insurer in your Chubb Recall Plus policy.*

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR COMPONENT PARTS POLICY FORM**  
**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMABLE PRODUCTS POLICY FORM**  
**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMER GOODS POLICY FORM**

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Loss" or "Consultant Costs" that are caused by or results from an "insured event" arising directly or indirectly, out of a "certified act of terrorism".

**B. The following definitions are added:**

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for "Loss" or "Consultant Costs" that is otherwise excluded under this Policy

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM**

This endorsement modifies insurance provided under the following:

**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR COMPONENT PARTS POLICY FORM**  
**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMABLE PRODUCTS POLICY FORM**  
**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMER GOODS POLICY FORM**

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM PUNITIVE DAMAGES**

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

**B. The following definition is added:**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for "Loss" or "Consultant Costs" that is otherwise excluded under this Policy

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR COMPONENT PARTS POLICY FORM**

**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMABLE PRODUCTS POLICY FORM**

**ACE RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMER GOODS POLICY FORM**

- A.** If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- 1.** The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
  - 2.** The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

## RESTRICTIONS OF TERRORISM COVERAGE WHEN THE POLICY INCLUDES THE CONDITIONAL EXCLUSION OF TERRORISM

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### NOTICE TO POLICYHOLDERS

This Notice has been prepared in conjunction with the POTENTIAL implementation of changes related to coverage of terrorism under your policy. It contains a brief synopsis of significant exclusionary provisions and limitations.

The Terrorism Risk Insurance Act established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program is subject to a termination date of December 31, 20\_\_ unless extended by the federal government. If the federal Program terminates, or is extended with certain changes prior to or during the term of your policy, then the treatment of terrorism under your policy will change. This Notice is being provided to you for the purpose of summarizing potential impact on your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does **not** form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

Carefully read your policy, including the endorsements attached to your policy.

#### **YOUR POLICY DURING TENURE OF THE TERRORISM RISK INSURANCE PROGRAM AS THAT PROGRAM EXISTS AT THE TIME THIS NOTICE IS ISSUED:**

##### **If your policy had no terrorism exclusion and no cap on certified losses:**

This policy does not contain a terrorism exclusion. In the absence of a terrorism exclusion, terrorism coverage applies in accordance with the terms of the policy. That is, the absence of a terrorism exclusion does not create coverage for any injury or damage that would otherwise be excluded under the policy, such as losses excluded by the war liability exclusion.

##### **If an endorsement entitled “Cap On Losses From Certified Acts Of Terrorism” or “Alaska Cap On Losses From Certified Acts Of Terrorism” was attached to your policy:**

This policy does not contain a terrorism exclusion. However, the policy contains an endorsement under which coverage for "certified acts of terrorism" (which is more fully defined in the endorsement) is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. Further, the absence of a terrorism exclusion does not create coverage for any injury or damage that would otherwise be excluded under the policy, such as losses excluded by the war liability exclusion.

##### **If an endorsement entitled “Exclusion Of Certified Acts Of Terrorism” or “Alaska Exclusion Of Certified Acts Of Terrorism” was attached to your policy:**

This policy contains an endorsement excluding coverage for "certified acts of terrorism", which is more fully defined in the endorsement.

##### **If an endorsement entitled “ Limited Terrorism Exclusion (Other Than Certified Acts Of Terrorism) Cap On Losses From certified Acts Of Terrorism” or “ Alaska Limited Terrorism Exclusion (Other Than Certified Acts Of Terrorism) Cap On Losses From certified Acts Of Terrorism” was attached to your policy:**

This policy contains an endorsement that makes a distinction between "certified acts of terrorism" and "other acts of terrorism" that are committed outside the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". Coverage is provided for "certified acts of terrorism" (which is more fully defined in the endorsement). This coverage is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. The endorsement excludes coverage for "other acts of terrorism" that are committed outside the United States (including its territories and possessions and Puerto Rico), but



## RESTRICTIONS OF TERRORISM COVERAGE WHEN THE POLICY INCLUDES THE CONDITIONAL EXCLUSION OF TERRORISM

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within the "coverage territory" (which is more fully defined in the endorsement) but such exclusion applies only if:

- (1) Aggregate losses from the event exceed \$25 million; or
- (2) Fifty or more persons sustain death or physical injury; or
- (3) If the event qualified as a nuclear event; or
- (4) If the event qualified under certain circumstances as a biological or chemical event.

With respect to "certified acts of terrorism" and "other acts of terrorism" that are committed outside the United States, policy exclusions (for example, the war liability exclusion) and other policy provisions continue to apply.

**If an endorsement entitled "Exclusion Of Certified Acts Of Terrorism And Other Acts Of Terrorism" or "Alaska Exclusion Of Certified Acts Of Terrorism And Other Acts Of Terrorism" was attached to your policy:**

The terrorism endorsement in this policy makes a distinction between "certified acts of terrorism" (which is more fully defined in the endorsement and generate aggregate losses in excess of \$5 million) and "other acts of terrorism" that are committed outside the United States (including its territories and possessions and Puerto Rico). Both types of terrorism are excluded from coverage but the exclusions are subject to different terms and conditions. The exclusion of "certified acts of terrorism" relates to criteria in the federal Terrorism Risk Insurance Act. The exclusion of coverage for "other acts of terrorism" (that are committed outside the United States (including its territories and possessions and Puerto Rico (which is more fully defined in the endorsement) applies only if:

- (1) Aggregate losses from the event exceed \$25 million; or
- (2) Fifty or more persons sustain death or physical injury; or
- (3) If the event qualified as a nuclear event; or
- (4) If the event qualified under certain circumstances as a biological or chemical event.

With respect to "certified acts of terrorism" and "other acts of terrorism" that are committed outside the United States, policy exclusions (for example, the war liability exclusion) and other policy provisions continue to apply.

**If an endorsement entitled "Exclusion Of Certified Nuclear, Biological, Chemical Or Radiological Acts Of Terrorism; Cap On Losses From Certified Acts Of Terrorism" or "Alaska Exclusion Of Certified Nuclear, Biological, Chemical Or Radiological Acts Of Terrorism; Cap On Losses From Certified Acts Of Terrorism" was attached to your policy:**

The terrorism endorsement in this policy excludes coverage for "certified acts of terrorism" (which is more fully defined in the endorsement), but such exclusion applies only if the event qualified as a nuclear event or if the event qualified under certain circumstances as a biological or chemical event. The certified-acts coverage that remains is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act and is subject to all policy exclusions (for example, the war liability exclusion) and other policy provisions.

**If an endorsement entitled "Certified Acts Of Terrorism Aggregate Limit; Cap On Losses From Certified Acts Of Terrorism" or "Alaska Certified Acts Of Terrorism Aggregate Limit; Cap On Losses From Certified Acts Of Terrorism" was attached to your policy:**

The terrorism endorsement in this policy limits the amount of coverage for injury or damage caused by "certified acts of terrorism" (which is more fully defined in the endorsement). The Certified Acts Aggregate Limit will be subject to the General Aggregate and Products/Completed Operations Aggregate Limits. All other limits continue to apply if and to the extent that the Certified Acts Aggregate Limit has not been used up. Once the Certified Acts Aggregate Limit is exhausted in one or more events, no further coverage for Certified

## RESTRICTIONS OF TERRORISM COVERAGE WHEN THE POLICY INCLUDES THE CONDITIONAL EXCLUSION OF TERRORISM

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Acts is provided for the remainder of the annual policy period. Further, certified-acts coverage is subject to a limit on our liability pursuant to the federal Terrorism Risk Insurance Act. With respect to "certified acts of terrorism", policy exclusions (for example, the war liability exclusion) and other policy provisions continue to apply.

### POTENTIAL CHANGE TO YOUR POLICY:

**An endorsement for the Conditional Exclusion of Terrorism is attached to your policy. Its provisions become applicable to your policy only if certain events (one or more of them) occur. Those events include the following:**

- If the federal Terrorism Risk Insurance Program (TRIP) terminates with respect to the type of insurance provided under this policy. (
- If TRIP is extended with changes that redefine terrorism, and we are not required to make such revised coverage available to you; or
- If TRIP is extended with changes that make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other events or occurrences under this policy, and we are not required to make such revised coverage available to you; or

If TRIP is extended with changes that increase insurers' statutory percentage deductible under TRIP for terrorism losses, or decrease the federal government's statutory percentage share in potential terrorism losses, and we are not required to make terrorism coverage available to you. **This Conditional Terrorism Endorsement treats terrorism as follows:**

- Coverage for injury or damage arising out of a terrorism incident is excluded only if:
  - The total of all insured damage to all types of property (including business interruption losses sustained by owners or occupants of damaged property), from the incident, exceeds \$25 million. The \$25 million property damage threshold is based on losses sustained by all persons and entities who are affected by an incident of terrorism, and who are insured for the damage, or who would be insured but for a terrorism exclusion; or
  - Fifty or more persons sustain death or serious physical injury; or

*(To determine whether the threshold for property damage (\$25 million) or persons injured (fifty) is exceeded, multiple incidents of terrorism which occur within a seventy-two hour period and appear to be linked together or have a related purpose or common leadership behind them shall be considered to be one incident of terrorism.)*

  - The terrorism event involves nuclear materials or results in nuclear reaction or radiation or radioactive contamination; or
  - The terrorism event involves the release of radioactive material, and it appears that one purpose of the terrorism was to release such material; or
  - The terrorism event is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
  - The terrorism event involves the release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the terrorism was to release such materials.

**See the definition of terrorism for purposes of the terrorism exclusion.**

**CONDITIONAL EXCLUSION OF TERRORISM  
(RELATING TO DISPOSITION OF FEDERAL TERRORISM  
RISK INSURANCE ACT)**

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period <b>to</b>	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**This endorsement modifies insurance provided under the following:**

**CHUBB RECALL PLUS INSURANCE FOR COMPONENT PARTS POLICY FORM  
CHUBB RECALL PLUS INSURANCE FOR CONSUMABLE PRODUCTS POLICY FORM  
CHUBB RECALL PLUS INSURANCE FOR CONSUMER GOODS POLICY FORM**

**A. Applicability Of The Provisions Of This Endorsement**

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
  - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Policy; or
  - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
    - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
    - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
    - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
  - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
  - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.
- B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:
1. "Terrorism" means activities against persons, organizations or property of any nature:
    - a. That involve the following or preparation for the following:
      - (1) Use or threat of force or violence; or
      - (2) Commission or threat of a dangerous act; or
      - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
    - b. When one or both of the following applies:
      - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
      - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
  2. "Any injury or damage" means any injury or damage covered under any Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Policy.
- C. The following exclusion is added:

#### **EXCLUSION OF TERRORISM**

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage.

But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of

all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs C.5. or C.6. are exceeded.

With respect to this Exclusion, Paragraphs C.5. and C.6. describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Policy.

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Policy.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

**THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. IT APPLIES ONLY TO CLAIMS MADE AFTER THE INCEPTION DATE AND BEFORE 30 DAYS AFTER DISCOVERY OF THE POTENTIAL "INSURED EVENT". IF A CLAIM IS MADE AFTER THE CANCELLATION OR NON-RENEWAL OF THE POLICY, YOU WILL NOT HAVE COVERAGE FOR THAT CLAIM.**

This is your Chubb Recall Plus<sup>SM</sup> Insurance Policy, providing insurance for covered product recalls of your component parts. Certain provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the organization named in the Declarations as the Named Insured. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section II. Definitions.**

## **SECTION I. INSURING AGREEMENT**

In consideration of your payment of premium and in reliance upon your statements made in the application form for this policy, as well as the information and material you submitted as part of such application, we agree with you as follows:

We will reimburse you for "Loss", to which this insurance applies, in excess of the applicable "self-insured retention", up to the Limits of Insurance stated in the Declarations, that is caused by an "insured event" that is first discovered by you during the "policy period" and reported to us in compliance with the provisions of the Notice of Loss condition.

## **SECTION II. DEFINITIONS**

- A. "Bodily injury" means physical injury, sickness, disease, or death sustained by a person.
- B. "Consultant costs" means the fees and expenses incurred by you for the advisory services of the Crisis Consultants referred to in ***First Steps in a Crisis*** attached to this policy to assist you (1) in responding to events or incidents that have the potential to lead to an "insured event" or (2) in response to an actual "insured event". "Consultant costs" do not include any of the costs defined in "recall costs".
- C. "Consequential damages" means the costs, expenses and loss of a profit a "customer" has incurred or suffered caused solely and directly in connection with a covered "insured event" and for which you are legally obligated to reimburse or pay that "customer".  
  
Consequential damages to not include:
  - 1. Any fines, fees, penalties, punitive and / or exemplary damages
  - 2. Any loss or expenses recoverable elsewhere in this policy.
- D. "Customer" means the party or parties to or with whom you have:
  - 1. directly contracted; or
  - 2. indirectly supplied your "insured product(s)"
- E. "Defense costs" means legal costs and other expenses incurred by or on behalf of the "insured" in connection with the defense of any actual or anticipated claim, including attorneys' fees and disbursement, court costs, premiums on attachment or appeal bonds, pre-judgment and post-judgment interest, expenses for experts and for investigation, adjustment, appraisal and settlement, excluding salaries, wages and benefits of your employees and administrative expenses incurred by you.

- F. "Impaired property" means tangible property, other than your "insured product", that cannot be used; or is less useful because it incorporates your "insured product(s)" that is known to be defective, deficient, inadequate or dangerous provided that such tangible property can be restored to use by the repair, replacement, adjustment or removal of your "insured product(s)".
- G. "Insured" means:
1. The organization identified as the Named Insured in the Declarations of this policy;
  2. Any subsidiary of the Named Insured and any other organization under the active management and control of the Named Insured as of the inception date of the policy, provided that such subsidiary or organization was made known to us prior to the inception date of the policy;
  3. If the Named Insured is a partnership, limited liability company or joint venture, its partners or members, but only with respect to the conduct of the Named Insured's business.
- H. "Insured event" means a voluntary, involuntary or mandatory recovery of "stock", market withdrawal or recall, of an "insured product(s)" by or on behalf of its manufacturer, producer, processor, distributor, purchaser, retailer, wholesaler, importer, exporter, a regularly constituted federal, state or local regulatory or administrative body or user of the "insured product(s)" because of an error or omission that occurred during the "manufacturing process" provided that the use of or exposure to such "insured product(s)" has resulted in or would result in "bodily injury", "property damage" or "impaired property".
- I. "Insured product(s)", unless otherwise specified in the Declarations or in a document referred to in the Declarations, means:
- Any good or product(s), including any of their components, that:
1. are in production by the "insured(s)";
  2. have been manufactured, treated, handled, packaged, or distributed by the "insured(s)" or by any contract manufacturer for the "insured(s); or;
  3. are available for sale by the "insured(s)" or are sold by, or on behalf of the "insured" by any distributor, wholesaler or retailer.
- "Insured product(s)" does not include newly introduced or newly developed products described below:
- Any product(s) which are newly introduced or newly developed by the "insured(s)" after the inception of this policy, provided, however, that if written notice is given to us no less than (90) days prior to the introduction for sale and we have given written acceptance of such new product(s) within 30 days of written receipt of the request to cover the new product then the new product will be an "Insured Product". Notwithstanding, such acceptance by us may be conditioned upon changes in one or more of the terms, conditions or premium of the policy.
- Variations of existing products and/or new blends are not considered a newly developed product.
- J. "Loss" means "pre-incident costs", "recall costs", "defense costs", "replacement costs", "consequential damages" and "consultant costs" that you have incurred directly and solely in connection with a covered "insured event".
- K. "Manufacturing process" means the design, development, production, fabrication, processing, treating, machining, reshaping, assembly, labeling and/or packing of the "insured product(s)".
- L. "Policy period" means the time between the inception date of this policy shown in the Declarations and the expiration date shown or any earlier termination date of this policy.
- M. "Pre-incident costs" means the costs incurred by you for chemical analysis and/or physical examination necessary to determine whether the use of the "insured product(s)" causes "bodily injury", "property damage" or "impaired property".

- N. "Property damage" means any physical damage to, or destruction of or loss of use of tangible property other than the "insured product(s)".
- O. "Recall costs" means the following costs and expenses listed below incurred by you or your retailers or other third parties arising out of an "insured event" to recover, withdraw or recall such affected "insured product(s)":
1. The cost of newspaper, magazine or any printed advertising (whether electronic or otherwise), radio and television announcements or commercials, as well as the cost of correspondence regarding or concerning the recall.
  2. The cost of shipping the "insured product(s)" from any purchaser, distributor or user to the place or places that you designate.
  3. The cost to rent additional warehouse or storage space.
  4. The cost of hiring additional persons other than regular employees to assist with the recall of the "insured product(s)".
  5. Overtime paid to non-salaried employees and additional compensation paid to other than non-salaried employees for work devoted exclusively to the recall of the "insured product(s)".
  6. Employees' travel, transportation and lodging expenses directly attributable to the recall of the "insured product(s)".
  7. The cost of disposal of the "insured product(s) and/or "impaired property", to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid "bodily injury" or "property damage" as a result of such disposal.
  8. Expenses incurred for the proper disposal of the unused packaging and point-of-purchase marketing material of a recalled "insured product(s)" if such packaging or material cannot reasonably be reused.
- P. "Replacement costs" means:
1. The total amount of refunds you give to purchasers for the affected "insured product(s)", not to exceed the initial purchasing price of the goods sold.
  2. The direct costs to repair the affected "insured product(s)" and / or the "impaired property", including the cost to repair unsold stock.
  3. The direct cost to produce or acquire a like replacement product if the affected "insured product(s)" and / or the "impaired property" cannot be repaired.
  4. The direct cost of unsold finished stock if the affected "insured product(s)" and / or the "impaired property" cannot be repaired, reconditioned, decontaminated or otherwise treated so as to render it marketable.
  5. The direct cost related to the removal and installation of the affected repaired or replaced "insured product(s)" and / or "impaired property".
  6. The actual cost to redistribute any affected restored, repaired or replaced "insured product(s)" and / or "impaired property".
- Q. "Retroactive date" means the date stated in the Retroactive Date section of the Declarations
- R. "Self-insured retention" means the amount stated the Self-Insured Retention section of the Declarations.
- S. "Stock" means that portion of the lot, batch, production run or other relevant unit of an "insured product(s)" that has not left the direct control of the "insured(s)" or been released for sale or use.
- T. "Suit" means a civil proceeding seeking damages for "loss", other than "defense costs", arising out of an "insured event" to which this insurance applies. "Suit" includes arbitration or other alternative dispute



resolution proceeding in which such damages are claimed and to which you submit with our consent.

- U. "Terrorism" means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

### **SECTION III. EXCLUSIONS**

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This insurance does not apply to any "loss", cost or expense arising out of, based upon, attributable to or involving, directly or indirectly:

- A. Any "insured event" resulting from or related to the natural gradual deterioration, decomposition or transformation of the chemical structure of any "insured" product(s), including but not limited to any combination or interaction among components or packaging, caused in whole or in part by the "insured product(s)" having passed its specified or reasonably expected expiration date for use.
- B. Any dishonest, illegal, willful, wanton, fraudulent, criminal or malicious act, error or omission by any director, officer, member, partner or trustee of any "insured".
- C. Any violation of a governmental regulation by any director, officer, partner or trustee of an "insured" in connection with the manufacture, sale or distribution of any "insured product(s)".
- D. Any use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity.
- E. Any "insured event" where "loss" arises out of a change in governmental regulations with respect to the safety of any "insured product(s)".
- F. Any fines, fees, penalties, punitive or exemplary damages imposed by third parties, courts or governmental organizations or agencies.
- G. Any "insured event" arising out of a failure by any party other than you to adhere to procedures prescribed by you regarding the storage or use of any "insured product(s)".
- H. Any "insured event" that occurs after any of your directors, officers, partners or trustees has knowledge of (1) a defect or deviation in the production, preparation or manufacture of the "insured product(s)" or (2) circumstances which have or are likely to result in such deviation or defect, and fails to take corrective action regarding such defect, deviation or circumstances.
- I. Any pre-existing condition, circumstance or situation which any of your directors, officers, partners or trustees knew of or should have known of, prior to the inception of this policy, that caused or could reasonably have been expected to cause, lead to or result in an "insured event".
- J. Any third party products liability claim or "suit" alleging "bodily injury" or "property damage".
- K. Any costs associated with the expense to redesign, engineer or re-engineer any "insured product(s)".
- L. Any "suit" made or brought by or on behalf of any "insured" against any other "insured".
- M. Any "Consultant costs" incurred after we have determined and communicated to you that no "insured event" resulted from an actual or threatened incident.
- N. Any failure of the "insured product(s)" arising out of any third party designs or specifications unless the failure is due to an unintended mistake, error or flaw in the "manufacturing process".
- O. Any monetary obligation of an "insured" by reason of an assumption of liability in a contract or agreement or that the "insured" would not have in the absence of the contract or agreement.
- P. Any unqualified, contractually obligated acceptance of any "insured product(s)" by or on behalf of your customers.

- Q. Any “insured product(s)” manufactured prior to the “retroactive date” shown in the Declarations.
- R. Any actual or alleged act of “terrorism”.
- S. Any nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the “insured product(s)”, whether such reaction, radiation or contamination is controlled or uncontrolled or results from any act or condition incident to any of the foregoing.
- T. War, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

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**SECTION IV. CONDITIONS**

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**A. APPRAISALS**

If there is a covered “loss” concerning which you and we fail to agree as to the monetary value of the “loss”, and we reject of your final statement of “loss”, the “loss” will be submitted for an independent appraisal. Either party may make a written demand for an independent appraisal within sixty (60) days the rejection. Upon such demand, each party will select a competent and disinterested appraiser and notify the other party of the name of the appraiser selected within 20 days of such demand. These appraisers will first select a competent and disinterested umpire. If they cannot agree on the selection of an umpire within 15 days, such umpire will be selected by the then current President of the Chartered Institute of Loss Adjusters. The parties will submit their cases to the appraisers and the umpire within 30 days of the appointment of the umpire. A majority of the panel may make an award stating the amount of the covered “loss” along with details and itemization of the elements of the “loss”. Each party will be responsible for payment of fees to its chosen appraiser and will share equally other expenses of the appraisal, including the umpire’s fees. The appraisal is not binding and neither party will be deemed to have waived any rights by participating in the appraisal.

**B. ASSIGNMENT**

You may not assign this policy or any rights you may have under the policy without our prior written consent.

**C. AUTHORIZATION OF THE FIRST NAMED INSURED**

You agree that the first named “insured” listed on the Schedule of Insureds is authorized to and does in fact act on behalf of any and all organizations qualifying as “insured(s)” with respect to any rights, duties and obligations they may have under the policy; and any and all such other insureds assign all rights and delegate all duties they may have under the policy to first named insured listed in the Declarations.

**D. CALCULATION OF LOSS**

In the event of any covered “loss”, you must provide to us a written request for payment as soon as practicable, accompanied by a computation of the “loss” setting forth in detail how the “loss” has been calculated and what assumptions have been made. You must provide to us any documentary evidence, including true copies of your books of account, bills, invoices, vouchers and other relevant documents that we or our representatives (including forensic accountants) may require. You must cooperate and afford our designates every assistance in their investigations, including reasonable access to any premises, personnel and documents we deem necessary for the purpose of the computation of “loss”.

We will determine the amount of any “loss”, taking into account any savings or recoveries or offsetting or make-up of “loss” which you have made or could reasonably have been expected to make and your ability to resume operations. We will apply standard accounting principles as recognized by the relevant regulatory authorities in your home jurisdiction. If you do business in more than one jurisdiction the relevant accounting principles to be applied will be those of the jurisdiction in which the subsidiary, division or other organizational unit that sustained the “loss” is based.

Limits of insurance, premiums and other amounts as expressed in this policy, and “loss” and “consultant costs” payable under the policy are in U.S. currency. If we pay for “loss” or “consultant costs” calculated in currency other than U.S. currency, the rate of exchange will be based on the published wholesale exchange rate on the date we receive written notice of the “insured event”. However, if there is no “insured event”, the exchange rate for “consultant costs” will be based on the published wholesale exchange rate on the date the “consultant costs” are first submitted to us in writing.

Whether or not any partial payments have been made, you must submit to us a final written statement of loss including all items of “loss” upon request after an “insured event” becomes known to you.

Nothing in the condition will be deemed to amend or supersede the provisions of the Notice of Loss condition.

#### **E. CANCELLATION**

You may cancel the policy by (a) the surrender of this policy to us or (b) by giving ten (10) days advance written notice to us, stating when thereafter such cancellation will be effective. We may cancel this policy by mailing or delivering to you, at your address stated in the Declarations, written notice stating when, not less than 60 days thereafter, the cancellation will be effective, except in the case of cancellation for non-payment of premium by you, in which case we will provide at least 10 days written notice. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

If you cancel this policy, we will be entitled to retain or collect 110% of the pro-rata earned premium, provided that no “loss” has been previously reported to us. However, if any “loss” has been reported to us during the relevant “policy period” and prior to the date of cancellation, we will be entitled to retain 100% of the total policy premium, not adjusted on a pro-rata basis.

If we cancel this policy, we will be entitled to retain earned premium on a pro-rata basis. Payment or tender of any unearned premium by us will not be a condition precedent to the effectiveness of cancellation. Such payment will be made as soon as practicable, but any delay on our part will not extend the policy beyond the original cancellation date.

#### **F. CHANGES**

This policy contains all the agreements between you and us concerning this insurance. Notice to any of our representatives or knowledge possessed by any of our representative(s) or by any other person will not constitute or operate as a waiver or a change in any part of the policy or prevent us from asserting any right under the terms of this policy, nor can the terms of this policy be waived or changed unless agreed to in writing by us in an endorsement annexed to the policy.

#### **G. CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD**

Without prejudice to our other rights, however arising, this policy will be voidable by us if any “insured” engages in concealment, misrepresentation, non-disclosure, or fraud with respect to any fact that is material to this insurance or the procurement thereof; the “insured product(s)”, the “insured’s” interest in the “insured product(s)”, any “insured event”, or any “loss” or claim under this policy.

#### **H. COOPERATION**

You agree to cooperate with us in all matters relating to this policy. This may include, but is not limited to, providing information and documents, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

#### **I. DUE DILIGENCE**

You agree to exercise due diligence to take all reasonable and practical steps to avoid any happening or circumstances giving rise to an “insured event” and to make all reasonable efforts to mitigate any “loss” occurring as a result of an “insured event”.

**J. EXCESS INSURANCE**

You may purchase other insurance over the Limit of Liability set forth in this policy without prejudice to this policy, provided that we are notified in writing of the details of such other excess insurance at the time such other insurance is acquired. The existence of such other insurance, if any, will not reduce our liability under this policy.

**K. FRAUDULENT CLAIMS**

If any material fact concerning a claim, an “insured event” or item of “loss” is in any respect fraudulent or intentionally concealed or misrepresented, this policy will be voidable by us and you will not be entitled to any coverage or proceeds.

**L. INSPECTION AND AUDIT**

We may examine and audit your business documents relating to the subject matter of this insurance until three years after this policy has expired or has been cancelled. Any premium due for exposures which existed but were not reported will be determined through audit by us and you will be liable for such audit premium.

**M. LIMITS OF INSURANCE**

The Limits of Insurance shown in the Declarations of this policy are the most we will pay for any and all “loss” regardless of the number of “insured events”, “insured products” or “insured(s)”. All “loss” resulting from and arising from the same, continuous, related or repeated conditions or incidents will be treated as arising out of one “insured event”. In no event will any “loss” claimed and paid under one “insured event” be recoverable under any other “insured event”.

**N. NEW EXPOSURES AFTER INCEPTION**

If, after the inception of this policy, you newly acquire or form, whether by asset acquisition, stock acquisition, consolidation or merger, formation or any other means, an organization whose gross revenues are in excess of 10% of your gross revenues as of the effective date of the acquisition or formation, you must give us written notice within ninety (90) days of such effective date.

We reserve the right, to accept or decline the additional exposure created by the acquisition or formation, at our discretion. If we decline to accept the new exposure, the acquired or formed organization will be covered under this policy only until we notify you in writing that we have declined to accept the new exposure. In the event we agree to insure the new exposure, you agree to pay to us, promptly upon invoice, additional premium as billed. We will calculate the premium due from the date of acquisition or formation on a pro-rata basis for the remainder of the policy period.

This insurance does not apply to any “loss” arising out of the newly acquired or formed organization if you, at the time you gave notice us of the acquisition or formation, knew or reasonably could have known of the “insured event” out of which the “loss” arose.

**O. NON-ACCUMULATION OF LIABILITY**

Regardless of the number of years this policy may continue in force, and of the number or amount of premiums which may be payable or paid, or of any other circumstances whatsoever, our aggregate liability will not be cumulative from year to year or period to period. When there is more than one “insured”, our aggregate Limit of Liability for “loss” sustained by any or all such “insured(s)” will not exceed the amount for which we would be liable if all “loss” were sustained by any one of them.

**P. NOTICE OF LOSS**

In the event of discovery of a potential “insured event” that may be covered under the terms of this policy, you must, within 72 hours or as soon as practical, contact the 24-hour hotline described in **First Steps in a Crisis** attached to the policy, and provide written notice to us or any authorized representative we designate, containing particulars sufficient to identify the “insured” and information with respect to the time, place and circumstances of the “insured” event and estimated “loss”. SUCH WRITTEN NOTICE MUST

BE PROVIDED AS SOON AS POSSIBLE BUT IN NO EVENT LATER THAN 30 DAYS AFTER DISCOVERY OF THE POTENTIAL "INSURED EVENT".

You must promptly take all reasonable steps to minimize any expense or damages involved, cooperate with us and, at our request, assist us in enforcing any right of contribution or indemnity against any person or organization other than a named "insured" under this policy, who may be liable to you.

**Q. NOTICES**

Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Declarations.

**R. OTHER INSURANCE**

This insurance is excess of and will not contribute with any other insurance of any kind whatsoever, whether primary, excess, contingent or on any other basis, except such policies that are written specifically to apply in excess of this policy.

Any other insurance available to you will not reduce or exhaust the 'self-insured retention', which must be borne by you and remain uninsured.

**S. SALVAGE**

Any salvage or other recovery, after expenses incurred in salvage or recovery is deducted, will accrue entirely to our benefit until any sums we have paid been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the "insured", the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by you.

Your good will and public image will be considered in determining whether any "insured product(s)" should be involved in salvage recovery. You agree not to unreasonably restrict our right to salvage. You will have full right to the possession of all goods involved in any "insured event" and will retain control of all damaged goods. You may not under any circumstances abandon any property to us.

**T. SELF INSURED RETENTION**

The self-insured retention stated in the Declarations will apply separately to each and every "insured event". The "self-insured retention" is to be borne by you and remain uninsured. "Consultant costs" are not subject to a self-insured retention.

**U. SEVERABILITY, CONSTRUCTION AND CONFORMANCE TO STATUTE:**

If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is deemed to be severed and to have no effect on any other valid legal and enforceable provision of this policy. If any provision is or may be construed as being invalid, illegal or unenforceable for any reason, it will be construed by limiting it so as to be valid, legal, and enforceable to the extent compatible with applicable law. Any provisions which are in conflict with the statutes or regulations of the state or country in which the policy is issued are amended to conform to such statutes or regulations.

**V. SUBROGATION**

In the event of any payment under the policy, we will be subrogated to the extent of such payment to all the "insured's" rights of recovery. In such case, you agree to execute all documents required and will do everything necessary to secure and preserve such rights including the execution of such documents necessary to enable us to bring "suit" in your the name.

**W. SUITS, ACTIONS OR PROCEEDINGS AGAINST US**

No “suit”, action, or proceeding for recovery of any “loss” under this policy will be sustainable in any court of law, equity, or other tribunal unless all the requirements of this policy are complied with and are commenced within 24 months after a final statement of “loss” has been submitted to us by you.

**X. TERRITORY**

This policy applies to an “insured event” anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

**THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. IT APPLIES ONLY TO CLAIMS MADE AFTER THE INCEPTION DATE AND BEFORE 30 DAYS AFTER DISCOVERY OF THE POTENTIAL “INSURED EVENT”. IF A CLAIM IS MADE AFTER THE CANCELLATION OR NON-RENEWAL OF THE POLICY, YOU WILL NOT HAVE COVERAGE FOR THAT CLAIM.**

This is your CHUBB Recall Plus<sup>SM</sup> Insurance Policy, providing insurance for covered product recalls of your consumable products. Certain provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the organization named in the Declarations as the Named Insured or other “insured”. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section II. Definitions**.

## **SECTION I. INSURING AGREEMENT**

In consideration of your payment of premium and in reliance upon your statements made in the application form for this policy, as well as the information and material you submitted as part of such application, we agree with you as follows:

We will reimburse you for “Loss”, to which this insurance applies, in excess of the applicable “self-insured retention”, up to the Limits of Insurance stated in the Declarations, that is caused by an “insured event” that is first discovered by you during the “policy period” and reported to us in compliance with the provisions of the Notice of Loss condition.

## **SECTION II. DEFINITIONS**

A. “Adulterated” means:

1. accidentally or unintentionally contaminated or impaired by a microbiological, chemical, allergen or physical hazard; or
2. mislabeled; or
3. deliberately, maliciously, illegally or allegedly tampered or threatened to be tampered.

B. “Adverse publicity” means the naming of both the “insured(s)” and the “insured product(s)” in any local, regional or national media, including but not limited to, radio, television, newspapers, magazines, the internet or any governmental publication, during the “policy period”, with the implication that the “insured product(s)” is “adulterated” and that the consumption, exposure to, or use of such “insured product(s)” has resulted in or would result in “bodily injury” or “property damage”.

C. “Bodily injury” means physical injury, sickness, disease, or death sustained by a person.

D. “Brand rehabilitation expenses” means the advertising, marketing and public relations expenses incurred by you as a direct result of an “insured event” to re-establish the “insured product(s)” to the projected level of sales or market share anticipated prior to the “insured event”.

E. “Business interruption” means your actual loss of “business income” you sustained solely and directly in connection with a covered “insured event”.

F. “Business income” means your sales revenue projected prior to the happening of an “insured event”, but which has been lost after the decrease in sales attributable to and caused directly by an “insured event”, less”

1. the variable costs that would have been incurred during the same period, but which have been saved as a result of not making those sales (including the cost of raw materials and all other saved costs); and

2. the increased sales of another “insured product(s)” within the same product line as the affected “insured product(s)” claimed in the “loss” as a result of an “insured event”.

G. “Consultant costs” means the fees and expenses incurred by you for the advisory services of the Crisis Consultants referred to in ***First Steps in a Crisis*** attached to this policy to assist you (1) in responding to events or incidents that have the potential to lead to an “insured event” or (2) in response to an actual “insured event”. “Consultant costs” do not include any of the costs defined in “recall costs”.

H. “Consequential damages” means the costs, expenses and / or loss of profit a “customer” has incurred or suffered caused solely and directly in connection with a covered “insured event” and for which you are legally obligated to reimburse or pay that “customer”.

Consequential damages do not include:

1. Any fines, fees, penalties, punitive and / or exemplary damages
2. Any loss or expenses recoverable elsewhere in this policy.

I. “Customer” means the part of parties to or with whom you have:

1. directly contracted; or
2. indirectly supplied your “insured product(s)”

J. “Extra expense” means the reasonable and necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no “loss” resulting from an “insured event” to:

1. Avoid or minimize the “suspension” of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
2. Minimize the “suspension” of business if you cannot continue “operations”.
3. Maintain employment of your work force

Extra Expense does not include:

4. Any “business interruption”
5. Any cost to repair, restore or replace the “insured product(s)”
6. Any expenses recoverable elsewhere in this policy.

K. “Defense costs” means legal costs and other expenses incurred by or on behalf of the “insured” in connection with the defense of any actual or anticipated claim, including attorneys’ fees and disbursement, court costs, premiums on attachment or appeal bonds, pre-judgment and post-judgment interest, expenses for experts and for investigation, adjustment, appraisal and settlement, excluding salaries, wages and benefits of your employees and administrative expenses incurred by you.

L. “Extortion costs” means:

1. “Extortion monies” paid by you in direct response to a “product extortion” demand.
2. “Extortion monies” lost due to the destruction, disappearance, confiscation or wrongful appropriation of “extortion monies” while being handled or conveyed for delivery by anyone who is authorized by you to have custody thereof; provided that the “product extortion” demand which gave rise to the delivery is covered by this insurance.
3. Expenses or fees which are incurred and paid by you solely as a direct result of a “product extortion” demand, including the following:
  - a. The amount paid by you as a “reward” to an “informant” for information relevant to a specific “product extortion” demand. However, no “reward” will be paid to any director, officer, trustee, member or partner of any “insured” or to any employee, agent or other representative of any



“insured” holding similar responsibilities;

- b. Interest due on any loan made to you by a financial institution for the purpose of paying “extortion monies”;
  - c. Reasonable costs of travel and accommodations incurred by you or on your behalf while attempting to negotiate a “product extortion” demand;
  - d. Reasonable increased costs of security due to a “product extortion” demand including hiring of security guards, hiring of armored vehicles, and overtime pay to existing security staff for a period of up to 90 days, provided however that a security consultant approved by us has specifically recommended such increased security measures.
- M. “Extortion Monies” means any monies paid by the “insured(s)” or lost in transit subsequent to a “product extortion” demand. For the purpose of this insurance policy, the term monies includes cash, monetary instruments, bullion or the fair market value of any securities, tangible property or services.
- N. “Informant” means any person providing information not otherwise obtainable, in return for a “reward” offered by you.
- O. “Insured(s)” means:
- 1. The organization identified as the Named Insured in the Declarations of this policy;
  - 2. Any subsidiary of the Named Insured and any other organization under the active management and control of the Named Insured as of the inception date of the policy, provided that such subsidiary or organization was made known to us prior to the inception date of the policy;
  - 3. If the Named Insured is a partnership, limited liability company or joint venture, its partners or members, but only with respect to the conduct of the Named Insured’s business.
- P. “Insured Event” means:
- 1. a voluntary, involuntary or mandatory recovery of “stock”, market withdrawal or recall, of an “adulterated” “insured product(s)” by or on behalf of its manufacturer, producer, processor, distributor, purchaser, retailer, wholesaler, importer, exporter, a regularly constituted federal, state or local regulatory or administrative body or user of the “insured product(s)” provided that the consumption, exposure to, or use of such “insured product(s)” has resulted in or would result in “bodily injury” or “property damage”; or
  - 2. “adverse publicity”.
- Q. “Insured product(s)”, unless otherwise specified in the Declarations or in a document referred to in the Declarations, means:

Any topical or ingestible product(s) for human use or consumption, including any of their ingredients, components or packaging, provided such product(s):

- 1. are in production by the “insured(s)”;
- 2. have been processed, manufactured, mixed, blended, compounded, packaged, handled or distributed by the “insured(s)” or by any contract manufacturer for the “insured(s); or;
- 3. are available for sale by the “insured(s)” or are sold on behalf of the “insured” by any distributor, wholesaler or retailer.

“Insured product(s)” does not include newly introduced or newly developed products described below:

Any product(s) which are newly introduced or newly developed by the “insured(s)” after the inception of this policy, provided, however, that if written notice is given to us no less than (90) days prior to the introduction for sale and we have given written acceptance of such new product(s) within 30 days of written receipt of the request to cover the new product then the new product will be an “Insured Product”. Notwithstanding, such acceptance by us may be conditioned upon changes in one or more of the terms, conditions or premium of the

policy.

Variations of existing products and/or new blends are not considered a newly developed product.

- R. "Loss" means "pre-incident costs", "recall costs", "replacement costs", "business interruption", "brand rehabilitation expenses", "extra expenses", "extortion costs", "consequential damages", "defense costs" and "consultant costs", that you have incurred directly and solely in connection with a covered "insured event".
- S. "Period of restoration" means the period from the time of "suspension" when either:
1. the premises have been made ready for operations under the same or equivalent physical and operating conditions that existed prior to the "insured event"; or
  2. normal operations resume.
- whichever comes first up to a maximum period of 12 months.
- T. "Policy period" means the time between the inception date and the expiration date of this policy shown in the Declarations or any earlier termination date of the policy.
- U. "Pre-incident costs" means the costs incurred by you for chemical analysis and/or physical examination necessary to determine whether the "insured product(s)" has been "adulterated" or to determine what, if any, potential effect might result from the "adulterated" "insured product(s)".
- V. "Property damage" means any physical damage to, or destruction of or loss of use of tangible property other than the "insured product(s)".
- W. "Recall costs" means the following costs and expenses listed below incurred by you or your retailers or other third parties arising out of an "insured event" to recover, withdraw or recall such affected "insured product(s)":
1. The cost of newspaper, magazine or any printed advertising (whether electronic or otherwise), radio and television announcements or commercials, as well as the cost of correspondence regarding or concerning the recall.
  2. The cost of shipping the "insured product(s)" from any purchaser, distributor or user to the place or places that you designate.
  3. The cost to rent additional warehouse or storage space.
  4. The cost of hiring additional persons other than regular employees to assist with the recall of the "insured product(s)".
  5. Overtime paid to non-salaried employees and additional compensation paid to other than non-salaried employees for work devoted exclusively to the recall of the "insured product(s)".
  6. Employees' travel, transportation and lodging expenses directly attributable to the recall of the "insured product(s)".
  7. The cost of disposal of the "insured product(s)", to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid "bodily injury" or "property damage" as a result of such disposal.
  8. Expenses incurred for the proper disposal of the unused packaging and point-of-purchase marketing material of a recalled "insured product(s)" if such packaging or material cannot reasonably be reused.
  9. Retail slotting fees and cancellation fees for any advertising or promotional program which were scheduled but which were unable to be executed because of an "insured event".
  10. Retail fees as required by contract not otherwise listed.

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X. "Replacement costs" means:

1. The total amount of refunds you give to purchasers for the "adulterated" "insured product(s)", not to exceed the initial purchasing price of the goods sold.
2. The direct costs to repair the "adulterated" "insured product(s)", including the cost to repair unsold stock,
3. The direct cost to produce or acquire a like replacement product if the "adulterated" "insured product(s)" cannot be repaired.
4. The direct cost of unsold finished stock if the "adulterated" "insured product(s)" cannot be repaired, reconditioned, decontaminated or otherwise treated so as to render it marketable,.
5. The direct cost related to the removal and installation of the repaired or replaced "adulterated" "insured product(s)".
6. The actual cost to redistribute any restored, repaired or replaced "adulterated" "insured product(s)".

Y. "Self-insured retention" means the amount stated in the Self-Insured Retention section of the Declarations.

Z. "Stock" means that portion of the lot, batch, production run or other relevant unit of an "adulterated" "insured product(s)" that has not left the direct control of the "insured(s)" or been released for sale or use.

AA. "Suit" means a civil proceeding seeking damages for "loss", other than "defense costs", arising out of an "insured event" to which this insurance applies. "Suit" includes arbitration or other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

BB. "Suspension" means a slowdown, cessation or shut down of your business activities arising out of a covered "insured event".

CC. "Terrorism" means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

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**SECTION III. EXCLUSIONS**

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This insurance does not apply to any "loss", cost or expense arising out of, based upon, attributable to or involving, directly or indirectly:

- A. Any "insured event" arising out of the natural gradual deterioration, decomposition or transformation of the chemical structure of any "insured" product(s)", including but not limited to any combination of or interaction among components or packaging, caused in whole or in part by the "insured product(s)" having passed its specified or reasonably expected expiration date for use or consumption.
- B. Any willful, wanton, fraudulent, illegal, malicious, dishonest or criminal act by any director, officer, member, partner or trustee of any "insured".
- C. Any violation of a governmental regulation by any director, officer, partner or trustee of an "insured" in connection with the manufacture, sale or distribution of any "insured product(s)".
- D. Any use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity.
- E. Any "insured event" where "loss" arises out of a change in governmental regulations with respect to the safety of any "insured product(s)".
- F. Any fees, fines or penalties (other than those listed in (9) and (10) of the definition of "recall costs") imposed by third parties, courts or governmental organizations or agencies.
- G. Any "insured event" arising out of a failure by any party other than you to adhere to procedures prescribed by you regarding the storage, consumption or use of any "insured product(s)".

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- H. Any “insured event” that occurs after any of your directors, officers, partners or trustees has knowledge of (1) an “adulterated” “insured product(s)” in the production, preparation or manufacture of the “insured product(s)” or (2) of circumstances which have or are likely to result in such “adulterated” “insured product(s)” and fails to take corrective action regarding these circumstances.
- I. Any pre-existing condition, circumstance or situation which any of your directors, officers, partners or trustees knew of or should have known of, prior to the inception of this policy, that caused or could reasonably have been expected to cause, lead to or result in an “insured event”.
- J. Any third party liability claim or “suit” alleging “bodily injury” or “property damage”.
- K. Any costs associated with the expense to design or redesign, engineer or re-engineer any “insured product(s)”.
- L. Any “suit” made or brought by or on behalf of any “insured” against any other “insured”.
- M. Any “consultant costs” incurred after we have determined and communicated to you that no “insured event” resulted from an actual or threatened incident.
- N. Any “insured event” arising out of:
1. Bioengineering, genetic engineering or genetic modification of any “insured product(s)”;
  2. Hormone treatment of any “insured product(s)”;
  3. Transmissible Spongiform Encephalopathy (TSE);
  4. Avian Influenza Virus; or
  5. Any carcinogen.
- O. Any loss of or diminution of value in land, buildings, structures, fixtures; or lawns (including as a result of weather-related failures, pests or other cause); or contamination of livestock.
- P. Any actual or alleged act of “terrorism”, unless the direct target of the “terrorism” is the “insured” or “insured product(s)”.
- Q. Any nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the “insured product(s)”), whether such reaction, radiation or contamination is controlled or uncontrolled or results from any act or condition incident to any of the foregoing.
- R. War, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

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**SECTION IV. CONDITIONS**

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**A. APPRAISALS**

If there is a covered “loss” concerning which you and we fail to agree as to the monetary value of the “loss”, and we reject of your final statement of “loss”, the “loss” will be submitted for an independent appraisal. Either party may make a written demand for an independent appraisal within sixty (60) days the rejection. Upon such demand, each party will select a competent and disinterested appraiser and notify the other party of the name of the appraiser selected within 20 days of such demand. These appraisers will first select a competent and disinterested umpire. If they cannot agree on the selection of an umpire within 15 days, such umpire will be selected by the then current President of the Chartered Institute of Loss Adjusters. The parties will submit their cases to the appraisers and the umpire within 30 days of the appointment of the umpire. A majority of the panel may make an award stating the amount of the covered “loss” along with details and itemization of the elements of the “loss”. Each party will be responsible for payment of fees to its chosen appraiser and will share equally other expenses of the appraisal, including the umpire’s fees. The appraisal is not binding and neither party will be deemed to have waived any rights by participating in the appraisal.

**B. ASSIGNMENT**

You may not assign this policy or any rights you may have under the policy without our prior written consent.

**C. AUTHORIZATION OF THE FIRST NAMED INSURED**

You agree that the first named "insured" listed on the Schedule of Insureds is authorized to and does in fact act on behalf of any and all organizations qualifying as "insured(s)" with respect to any rights, duties and obligations they may have under the policy; and any and all such other "insured(s)" assign all rights and delegate all duties they may have under the policy to first named insured listed in the Declarations.

**D. CALCULATION OF LOSS**

In the event of any covered "loss", you must provide to us a written request for payment as soon as practicable, accompanied by a computation of the "loss" setting forth in detail how the "loss" has been calculated and what assumptions have been made. You must provide to us any documentary evidence, including true copies of your books of account, bills, invoices, vouchers and other relevant documents that we or our representatives (including forensic accountants) may require. You must cooperate and afford our designates every assistance in their investigations, including reasonable access to any premises, personnel and documents we deem necessary for the purpose of the computation of "loss".

We will determine the amount of any "loss", taking into account any savings or recoveries or offsetting or make-up of "loss" which you have made or could reasonably have been expected to make and your ability to resume operations. We will apply standard accounting principles as recognized by the relevant regulatory authorities in your home jurisdiction. If you do business in more than one jurisdiction the relevant accounting principles to be applied will be those of the jurisdiction in which the subsidiary, division or other organizational unit that sustained the "loss" is based.

We will calculate "business income" based on an analysis of the profits generated by the affected "insured product(s)" and other "insured product(s)" which lost sales as a direct result of the "insured event", during each month of the 12 months prior to the "insured event" and taking into account:

1. The future profitability of such product(s) had no "insured event" occurred; and
2. All material changes in the market conditions of any nature whatsoever that would have affected the future marketing of and profits generated by the "insured product(s)" or other affected "insured product(s)".

Limits of insurance, premiums and other amounts as expressed in this policy, and "loss" and "consultant costs" payable under the policy are in U.S. currency. If we pay for "loss" or "consultant costs" calculated in currency other than U.S. currency, the rate of exchange will be based on the published wholesale exchange rate on the date we receive written notice of the "insured event". However, if there is no "insured event", the exchange rate for "consultant costs" will be based on the published wholesale exchange rate on the date the "consultant costs" are first submitted to us in writing.

Whether or not any partial payments have been made, you must submit to us a final written statement of loss including all items of "loss" upon request after an "insured event" becomes known to you.

Nothing in the condition will be deemed to amend or supersede the provisions of the Notice of Loss condition.

**E. CANCELLATION**

You may cancel the policy by (a) the surrender of this policy to us or (b) by giving ten (10) days advance written notice to us, stating when thereafter such cancellation will be effective. We may cancel this policy by mailing or delivering to you, at your address stated in the Declarations, written notice stating when, not less than 60 days thereafter, the cancellation will be effective, except in the case of cancellation for non-payment of premium by you, in which case we will provide at least 10 days written notice. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

If you cancel this policy, we will be entitled to retain or collect 110% of the pro-rata earned premium, provided that no “loss” has been previously reported to us. However, if any “loss” has been reported to us during the relevant “policy period” and prior to the date of cancellation, we will be entitled to retain 100% of the total policy premium, not adjusted on a pro-rata basis.

If we cancel this policy, we will be entitled to retain earned premium on a pro-rata basis. Payment or tender of any unearned premium by us will not be a condition precedent to the effectiveness of cancellation. Such payment will be made as soon as practicable, but any delay on our part will not extend the policy beyond the original cancellation date.

**F. CHANGES**

This policy contains all the agreements between you and us concerning this insurance. Notice to any of our representatives or knowledge possessed by any of our representative(s) or by any other person will not constitute or operate as a waiver or a change in any part of the policy or prevent us from asserting any right under the terms of this policy, nor can the terms of this policy be waived or changed unless agreed to in writing by us in an endorsement annexed to the policy.

**G. CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD**

Without prejudice to our other rights, however arising, this policy will be voidable by us if any “insured” engages in concealment, misrepresentation, non-disclosure, or fraud with respect to any fact that is material to this insurance or the procurement thereof; the “insured product(s)”, the “insured’s” interest in the “insured product(s)”, any “insured event”, or any “loss” or claim under this policy.

**H. COOPERATION**

You agree to cooperate with us in all matters relating to this policy. This may include, but is not limited to, providing information and documents, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

**I. DUE DILIGENCE**

You agree to exercise due diligence to take all reasonable and practical steps to avoid any happening or circumstances giving rise to an “insured event” and to make all reasonable efforts to mitigate any “loss” occurring as a result of an “insured event”.

**J. EXCESS INSURANCE**

You may purchase other insurance over the Limit of Liability set forth in this policy without prejudice to this policy, provided that we are notified in writing of the details of such other excess insurance at the time such other insurance is acquired. The existence of such other insurance, if any, will not reduce our liability under this policy.

**K. FRAUDULENT CLAIMS**

If any material fact concerning a claim, an “insured event” or item of “loss” is in any respect fraudulent or intentionally concealed or misrepresented, this policy will be voidable by us and you will not be entitled to any coverage or proceeds.

**L. INSPECTION AND AUDIT**

We may examine and audit your business documents relating to the subject matter of this insurance until three years after this policy has expired or has been cancelled. Any premium due for exposures which existed but were not reported will be determined through audit by us and you will be liable for such audit premium.

**M. LIMITS OF INSURANCE**

The Limits of Insurance shown in the Declarations of this policy are the most we will pay for any and all “loss” regardless of the number of “insured events”, “insured product(s)” or “insured(s)”. All “loss” resulting from and arising from the same, continuous, related or repeated conditions or incidents will be treated as

arising out of one “insured event”. In no event will any “loss” claimed and paid under one “insured event” be recoverable under any other “insured event”.

**N. NEW EXPOSURES AFTER INCEPTION**

If, after the inception of this policy, you newly acquire or form, whether by asset acquisition, stock acquisition, consolidation or merger, formation or any other means, an organization whose gross revenues are in excess of 10% of your gross revenues as of the effective date of the acquisition or formation, you must give us written notice within ninety (90) days of such effective date.

We reserve the right, to accept or decline the additional exposure created by the acquisition or formation, at our discretion. If we decline to accept the new exposure, the acquired or formed organization will be covered under this policy only until we notify you in writing that we have declined to accept the new exposure. In the event we agree to insure the new exposure, you agree to pay to us, promptly upon invoice, additional premium as billed. We will calculate the premium due from the date of acquisition or formation on a pro-rata basis for the remainder of the policy period.

This insurance does not apply to any “loss” arising out of the newly acquired or formed organization if you, at the time you gave notice us of the acquisition or formation, knew or reasonably could have known of the “insured event” out of which the “loss” arose.

**O. NON-ACCUMULATION OF LIABILITY**

Regardless of the number of years this policy may continue in force, and of the number or amount of premiums which may be payable or paid, or of any other circumstances whatsoever, our aggregate liability will not be cumulative from year to year or period to period. When there is more than one “insured”, our aggregate Limit of Liability for “loss” sustained by any or all such “insured(s)” will not exceed the amount for which we would be liable if all “loss” were sustained by any one of them.

**P. NOTICE OF LOSS**

In the event of discovery of a potential “insured event” that may be covered under the terms of this policy, you must, within 72 hours or as soon as practical, contact the 24-hour hotline described in **First Steps in a Crisis** attached to the policy, and provide written notice to us or any authorized representative we designate, containing particulars sufficient to identify the “insured” and information with respect to the time, place and circumstances of the “insured” event and estimated “loss”. SUCH WRITTEN NOTICE MUST BE PROVIDED AS SOON AS POSSIBLE BUT IN NO EVENT LATER THAN 30 DAYS AFTER DISCOVERY OF THE POTENTIAL “INSURED EVENT”.

You must promptly take all reasonable steps to minimize any expense or damages involved, cooperate with us and, at our request, assist us in enforcing any right of contribution or indemnity against any person or organization other than a named “insured” under this policy, who may be liable to you.

**Q. NOTICES**

Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Declarations.

**R. OTHER INSURANCE**

This insurance is excess of and will not contribute with any other insurance of any kind whatsoever, whether primary, excess, contingent or on any other basis, except such policies that are written specifically to apply in excess of this policy.

Any other insurance available to you will not reduce or exhaust the “self-insured retention” which must be borne by you and remain uninsured.”

**S. SALVAGE**

Any salvage or other recovery, after expenses incurred in salvage or recovery is deducted, will accrue entirely to our benefit until any sums we have paid been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the “insured”, the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by you.

Your good will and public image will be considered in determining whether any “insured product(s)” should be involved in salvage recovery. You agree not to unreasonably restrict our right to salvage. You will have full right to the possession of all goods involved in any “insured event” and will retain control of all damaged goods. You may not under any circumstances abandon any property to us.

**T. SELF INSURED RETENTION**

The self-insured retention stated in the Declarations will apply separately to each and every “insured event”. The “self-insured retention” is to be borne by you and remain uninsured. “Consultant costs” are not subject to a self-insured retention.

**U. SEVERABILITY, CONSTRUCTION AND CONFORMANCE TO STATUTE:**

If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is deemed to be severed and to have no effect on any other valid legal and enforceable provision of this policy. If any provision is or may be construed as being invalid, illegal or unenforceable for any reason, it will be construed by limiting it so as to be valid, legal, and enforceable to the extent compatible with applicable law. Any provisions which are in conflict with the statutes or regulations of the state or country in which the policy is issued are amended to conform to such statutes or regulations.

**V. SUBROGATION**

In the event of any payment under the policy, we will be subrogated to the extent of such payment to all the “insured’s” rights of recovery. In such case, you agree to execute all documents required and will do everything necessary to secure and preserve such rights including the execution of such documents necessary to enable us to bring “suit” in your name.

**W. SUITS, ACTIONS OR PROCEEDINGS AGAINST US**

No “suit”, action, or proceeding for recovery of any “loss” under this policy will be sustainable in any court of law, equity, or other tribunal unless all the requirements of this policy are complied with and are commenced within 24 months after a final statement of “loss” has been submitted to us by you.

**X. TERRITORY**

This policy applies to an “insured event” anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.



**THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. IT APPLIES ONLY TO CLAIMS MADE AFTER THE INCEPTION DATE AND BEFORE 30 DAYS AFTER DISCOVERY OF THE POTENTIAL “INSURED EVENT”. IF A CLAIM IS MADE AFTER THE CANCELLATION OR NON-RENEWAL OF THE POLICY, YOU WILL NOT HAVE COVERAGE FOR THAT CLAIM.**

This is your CHUBB Recall Plus<sup>SM</sup> Insurance Policy, providing insurance for covered product recalls of your consumer goods. Certain provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the organization named in the Declarations as the Named Insured or other “insured”. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section II. Definitions**.

## **SECTION I. INSURING AGREEMENT**

In consideration of your payment of premium and in reliance upon your statements made in the application form for this policy, as well as the information and material you submitted as part of such application, we agree with you as follows:

We will reimburse you for “Loss”, to which this insurance applies, in excess of the applicable “self-insured retention”, up to the Limits of Insurance stated in the Declarations, that is caused by an “insured event” that is first discovered by you during the “policy period” and reported to us in compliance with the provisions of the Notice of Loss condition.

## **SECTION II. DEFINITIONS**

- A. “Bodily injury” means physical injury, sickness, disease, or death sustained by a person.
- B. “Brand rehabilitation expenses” means the advertising, marketing and public relations expenses incurred by you as a direct result of an “insured event” to re-establish the “insured product(s)” to the projected level of sales or market share anticipated prior to the “insured event”.
- C. “Business interruption” means your actual loss of “business income” you sustained solely and directly in connection with a covered “insured event”.
- D. “Business income” means your sales revenue projected prior to the happening of an “insured event”, but which has been lost after the decrease in sales attributable to and caused directly by an “insured event”, less:
  - 1. the variable costs that would have been incurred during the same period, but which have been saved as a result of not making those sales (including the cost of raw materials and all other saved costs); and
  - 2. the increased sales of another “insured product(s)” within the same product line as the affected “insured product(s)” claimed in the “loss” as a result of an “insured event”.
- E. “Consequential damages” means the costs, expenses and / or loss of a profit a “customer” has incurred or suffered caused solely and directly in connection with a covered “insured event” and for which you are legally obligated to reimburse or pay that “customer”.

Consequential damages do not include:

- 1. Any fines, fees, penalties, punitive and / or exemplary damages
  - 2. Any loss or expenses recoverable elsewhere in this policy.
- F. “Consultant costs” means the fees and expenses incurred by you for the advisory services of the Crisis Consultants referred to in **First Steps in a Crisis** attached to this policy to assist you (1) in responding to events or incidents that have the potential to lead to an “insured event” or (2) in response to an actual “insured event”. “Consultant costs” do not include any of the costs defined in “recall costs”.

G. "Customer" means the party of parties to or with whom you have:

1. directly contracted; or
2. indirectly supplied your "insured product(s)"

H. "Defense costs" means legal costs and other expenses incurred by or on behalf of the "insured" in connection with the defense of any actual or anticipated claim, including attorneys' fees and disbursement, court costs, premiums on attachment or appeal bonds, pre-judgment and post-judgment interest, expenses for experts and for investigation, adjustment, appraisal and settlement, excluding salaries, wages and benefits of your employees and administrative expenses incurred by you.

I. "Extra expense" means the reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no "loss" resulting from and "insured event" to:

1. Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
2. Minimize the "suspension" of business if you cannot continue "operations".
3. Maintain employment of your work force.

Extra expense does not include:

4. Any "business interruption"
5. Any cost to repair, restore or replace the "insured product(s)"
6. Any expenses recoverable elsewhere in this policy.

J. "Insured(s)" means:

1. The organization identified as the Named Insured in the Declarations of this policy;
2. Any subsidiary of the Named Insured and any other organization under the active management and control of the Named Insured as of the inception date of the policy, provided that such subsidiary or organization was made known to us prior to the inception date of the policy;
3. If the Named Insured is a partnership, limited liability company or joint venture, its partners or members, but only with respect to the conduct of the Named Insured's business.

K. "Insured event" means a voluntary, involuntary or mandatory recovery of "stock", market withdrawal or recall, of an "unsafe" "insured product(s)" by or on behalf of its manufacturer, producer, processor, distributor, purchaser, retailer, wholesaler, importer, exporter, a regularly constituted federal, state or local regulatory or administrative body or user of the "insured product(s)" provided that the use of or exposure to such "insured product(s)" has resulted in or would result in "bodily injury" or "property damage".

L. "Insured product(s)", unless otherwise specified in the Declarations or in a document referred to in the Declarations, means:

Any finished good(s) or product(s) that:

1. are in production by the "insured(s)";
2. have been manufactured, packaged, handled or distributed by the "insured(s)" or by any contract manufacturer for the "insured(s)"; or;
3. are being available for sale by the "insured(s)" or are sold on behalf of the "insured" by any distributor, wholesaler or retailer.

"Insured product(s)" does not include newly introduced or newly developed products described below:

Any product(s) which are newly introduced or newly developed by the "insured(s)" after the inception of this policy, provided, however, that if written notice is given to us no less than (90) days prior to the introduction

for sale and we have given written acceptance of such new product(s) within 30 days of written receipt of the request to cover the new product then the new product will be an "Insured Product". Notwithstanding, such acceptance by us may be conditioned upon changes in one or more of the terms, conditions or premium of the policy.

Variations of existing products and/or new blends are not considered a newly developed product.

- M. "Loss" means "pre-incident costs", "recall costs", "replacement costs", "business interruption", "extra expenses", "brand rehabilitation expenses", "consequential damages", "defense costs" and "consultant costs", that you have incurred directly and solely in connection with a covered "insured event".
- N. "Period of restoration" means the period from the time of "suspension" when either:
1. the premises have been made ready for operations under the same or equivalent physical and operation conditions that existed prior to the "insured event"; or
  2. normal conditions resume.
- whichever comes first up to a maximum period of 12 months.
- O. "Policy period" means the time between the inception date and the expiration date of this policy shown in the Declarations or any earlier termination date of the policy.
- P. "Pre-incident costs" means the costs incurred by you for chemical analysis and/or physical examination necessary to determine whether the "insured product(s)" has been "unsafe" or to determine what, if any, potential effect might result from the "unsafe" "insured product(s)".
- Q. "Property damage" means any physical damage to, or destruction of or loss of use of tangible property other than the "insured product(s)".
- R. "Recall costs" means the following costs and expenses listed below incurred by you or your retailers or other third parties arising out of an "insured event" to recover, withdraw or recall such affected "insured product(s)":
1. The cost of newspaper, magazine or any printed advertising (whether electronic or otherwise), radio and television announcements or commercials, as well as the cost of correspondence regarding or concerning the recall.
  2. The cost of shipping the "insured product(s)" from any purchaser, distributor or user to the place or places that you designate.
  3. The cost to rent additional warehouse or storage space.
  4. The cost of hiring additional persons other than regular employees to assist with the recall of the "insured product(s)".
  5. Overtime paid to non-salaried employees and additional compensation paid to other than non-salaried employees for work devoted exclusively to the recall of the "insured product(s)".
  6. Employees' travel, transportation and lodging expenses directly attributable to the recall of the "insured product(s)".
  7. The cost of disposal of the "insured product(s)", to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid "bodily injury" or "property damage" as a result of such disposal.
  8. Expenses incurred for the proper disposal of the unused packaging and point-of-purchase marketing material of a recalled "insured product(s)" if such packaging or material cannot reasonably be reused.
  9. Retail slotting fees and cancellation fees for any advertising or promotional program which were scheduled but which were unable to be executed because of an "insured event".
  10. Retail fees as required by contract not otherwise listed.

S. "Replacement costs" means:

1. The total amount of refunds you give to purchasers for the "unsafe" "insured product(s)", not to exceed the initial purchasing price of the goods sold.
2. The direct costs to repair the "unsafe" "insured product(s)", including the cost to repair unsold stock,
3. The direct cost to produce or acquire a like replacement product if the "unsafe" "insured product(s)" cannot be repaired.
4. The direct cost of unsold finished stock if the "unsafe" "insured product(s)" cannot be repaired, reconditioned, decontaminated or otherwise treated so as to render it marketable,.
5. The direct cost related to the removal and installation of the repaired or replaced "unsafe" "insured product(s)".
6. The actual cost to redistribute any restored, repaired or replaced "unsafe" "insured product(s)".

T. "Retroactive date" means the date set forth in the Retroactive Date section of the Declarations

U. "Self-insured retention" means the amount stated the Self-Insured Retention section of the Declarations.

V. "Stock" means that portion of the lot, batch, production run or other relevant unit of an "unsafe" "insured product(s)" that has not left the direct control of the "insured(s)" or been released for sale or use.

W. "Suit" means a civil proceeding seeking damages for "loss", other than "defense costs", arising out of an "insured event" to which this insurance applies. "Suit" includes arbitration or other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

X. "Suspension" means a slowdown, cessation or shut down of your business activities arising out of a covered "insured event".

Y. "Terrorism" means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

Z. "Unsafe" means a flaw, fault, imperfection, deficiency, hazard, defect, malfunction or inadequacy that creates a dangerous condition.

### **SECTION III. EXCLUSIONS**

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This insurance does not apply to any "loss", cost or expense arising out of, based upon, attributable to or involving, directly or indirectly:

- A. Any "insured event" arising out of the natural gradual deterioration, decomposition or transformation of the chemical structure of any "insured" product(s), including but not limited to any combination of or interaction among components or packaging, caused in whole or in part by the "insured product(s)" having passed its specified or reasonably expected expiration date for use.
- B. Any willful, wanton, fraudulent, illegal, malicious, dishonest or criminal act by any director, officer, member, partner or trustee of any "insured".
- C. Any violation of a governmental regulation by any director, officer, partner or trustee of an "insured" in connection with the manufacture, sale or distribution of any "insured product(s)".
- D. Any use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity.
- E. Any "insured event" where "loss" arises out of a change in governmental regulations with respect to the safety of any "insured product(s)".
- F. Any fines, fees or penalties (other than those listed in (9) and (10) in the definition of "recall costs") imposed by third parties, courts or governmental organizations or agencies.

- G. Any “insured event” arising out of a failure by any party other than you to adhere to procedures prescribed by you regarding the storage or use of any “insured product(s)”.
- H. Any “insured event” that occurs after any of your directors, officers, partners or trustees has knowledge of (1) a defect or deviation in the production, preparation or manufacture of the “insured product(s)” or (2) of circumstances which have or are likely to result in such deviation or defect, and fails to take corrective action regarding such defect, deviation or circumstances.
- I. Any pre-existing condition, circumstance or situation which any of your directors, officers, partners or trustees knew of or should have known of, prior to the inception of this policy, that caused or could reasonably have been expected to cause, lead to or result in an “insured event”.
- J. Any third party liability claim or “suit” alleging “bodily injury” or “property damage”.
- K. Any costs associated with the expense to design or redesign, engineer or re-engineer any “insured product(s)”.
- L. Any “suit” made or brought by or on behalf of any “insured” against any other “insured”.
- M. Any “consultant costs” incurred after we have determined and communicated to you that no “insured event” resulted from an actual or threatened incident.
- N. Any “insured event” arising out of lead.
- O. Any product(s) manufactured, designed, sold distributed or handled by you and incorporated as a component or constituent part of any third party’s product(s) or goods.
- P. The failure of any “insured product(s)” to accomplish its intended purpose or to satisfy and express or implied warranty of fitness, efficiency or quality.
- Q. Any “insured product(s)” manufactured prior to the “retroactive date” shown in the Declarations.
- R. Any actual or alleged act of “terrorism”.
- S. Any nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the “insured product(s)”, whether such reaction, radiation or contamination is controlled or uncontrolled or results from any act or condition incident to any of the foregoing.
- T. War, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

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**SECTION IV. CONDITIONS**

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**A. APPRAISALS**

If there is a covered “loss” concerning which you and we fail to agree as to the monetary value of the “loss”, and we reject of your final statement of “loss”, the “loss” will be submitted for an independent appraisal. Either party may make a written demand for an independent appraisal within sixty (60) days the rejection. Upon such demand, each party will select a competent and disinterested appraiser and notify the other party of the name of the appraiser selected within 20 days of such demand. These appraisers will first select a competent and disinterested umpire. If they cannot agree on the selection of an umpire within 15 days, such umpire will be selected by the then current President of the Chartered Institute of Loss Adjusters. The parties will submit their cases to the appraisers and the umpire within 30 days of the appointment of the umpire. A majority of the panel may make an award stating the amount of the covered “loss” along with details and itemization of the elements of the “loss”. Each party will be responsible for payment of fees to its chosen appraiser and will share equally other expenses of the appraisal, including the umpire’s fees. The appraisal is not binding and neither party will be deemed to have waived any rights by participating in the appraisal.

**B. ASSIGNMENT**

You may not assign this policy or any rights you may have under the policy without our prior written consent.

**C. AUTHORIZATION OF THE FIRST NAMED INSURED**

You agree that the first named "insured" listed on the Schedule of Insureds is authorized to and does in fact act on behalf of any and all organizations qualifying as "insured(s)" with respect to any rights, duties and obligations they may have under the policy; and any and all such other "insured(s)" assign all rights and delegate all duties they may have under the policy to first named insured listed in the Declarations.

**D. CALCULATION OF LOSS**

In the event of any covered "loss", you must provide to us a written request for payment as soon as practicable, accompanied by a computation of the "loss" setting forth in detail how the "loss" has been calculated and what assumptions have been made. You must provide to us any documentary evidence, including true copies of your books of account, bills, invoices, vouchers and other relevant documents that we or our representatives (including forensic accountants) may require. You must cooperate and afford our designates every assistance in their investigations, including reasonable access to any premises, personnel and documents we deem necessary for the purpose of the computation of "loss".

We will determine the amount of any "loss", taking into account any savings or recoveries or offsetting or make-up of "loss" which you have made or could reasonably have been expected to make and your ability to resume operations. We will apply standard accounting principles as recognized by the relevant regulatory authorities in your home jurisdiction. If you do business in more than one jurisdiction the relevant accounting principles to be applied will be those of the jurisdiction in which the subsidiary, division or other organizational unit that sustained the "loss" is based.

We will calculate "business income" based on an analysis of the profits generated by the affected "insured product(s)" and other "insured product(s)" which lost sales as a direct result of the "insured event", during each month of the 12 months prior to the "insured event" and taking into account:

1. The future profitability of such product(s) had no "insured event" occurred; and
2. All material changes in the market conditions of any nature whatsoever that would have affected the future marketing of and profits generated by the "insured product(s)" or other affected "insured product(s)".

Limits of insurance, premiums and other amounts as expressed in this policy, and "loss" and "consultant costs" payable under the policy are in U.S. currency. If we pay for "loss" or "consultant costs" calculated in currency other than U.S. currency, the rate of exchange will be based on the published wholesale exchange rate on the date we receive written notice of the "insured event". However, if there is no "insured event", the exchange rate for "consultant costs" will be based on the published wholesale exchange rate on the date the "consultant costs" are first submitted to us in writing.

Whether or not any partial payments have been made, you must submit to us a final written statement of loss including all items of "loss" upon request after an "insured event" becomes known to you.

Nothing in the condition will be deemed to amend or supersede the provisions of the Notice of Loss condition.

**E. CANCELLATION**

You may cancel the policy by (a) the surrender of this policy to us or (b) by giving ten (10) days advance written notice to us, stating when thereafter such cancellation will be effective. We may cancel this policy by mailing or delivering to you, at your address stated in the Declarations, written notice stating when, not less than 60 days thereafter, the cancellation will be effective, except in the case of cancellation for non-payment of premium by you, in which case we will provide at least 10 days written notice. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

If you cancel this policy, we will be entitled to retain or collect 110% of the pro-rata earned premium, provided that no "loss" has been previously reported to us. However, if any "loss" has been reported to us during the relevant "policy period" and prior to the date of cancellation, we will be entitled to retain 100% of the total policy premium, not adjusted on a pro-rata basis.

If we cancel this policy, we will be entitled to retain earned premium on a pro-rata basis. Payment or tender of any unearned premium by us will not be a condition precedent to the effectiveness of cancellation. Such payment will be made as soon as practicable, but any delay on our part will not extend the policy beyond the original cancellation date.

**F. CHANGES**

This policy contains all the agreements between you and us concerning this insurance. Notice to any of our representatives or knowledge possessed by any of our representative(s) or by any other person will not constitute or operate as a waiver or a change in any part of the policy or prevent us from asserting any right under the terms of this policy, nor can the terms of this policy be waived or changed unless agreed to in writing by us in an endorsement annexed to the policy.

**G. CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD**

Without prejudice to our other rights, however arising, this policy will be voidable by us if any "insured" engages in concealment, misrepresentation, non-disclosure, or fraud with respect to any fact that is material to this insurance or the procurement thereof; the "insured product(s)", the "insured's" interest in the "insured product(s)", any "insured event", or any "loss" or claim under this policy.

**H. COOPERATION**

You agree to cooperate with us in all matters relating to this policy. This may include, but is not limited to, providing information and documents, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

**I. DUE DILIGENCE**

You agree to exercise due diligence to take all reasonable and practical steps to avoid any happening or circumstances giving rise to an "insured event" and to make all reasonable efforts to mitigate any "loss" occurring as a result of an "insured event".

**J. EXCESS INSURANCE**

You may purchase other insurance over the Limit of Liability set forth in this policy without prejudice to this policy, provided that we are notified in writing of the details of such other excess insurance at the time such other insurance is acquired. The existence of such other insurance, if any, will not reduce our liability under this policy.

**K. FRAUDULENT CLAIMS**

If any material fact concerning a claim, an "insured event" or item of "loss" is in any respect fraudulent or intentionally concealed or misrepresented, this policy will be voidable by us and you will not be entitled to any coverage or proceeds.

**L. INSPECTION AND AUDIT**

We may examine and audit your business documents relating to the subject matter of this insurance until three years after this policy has expired or has been cancelled. Any premium due for exposures which existed but were not reported will be determined through audit by us and you will be liable for such audit premium.

**M. LIMITS OF INSURANCE**

The Limits of Insurance shown in the Declarations of this policy are the most we will pay for any and all "loss" regardless of the number of "insured events", "insured product(s)" or "insured(s)". All "loss" resulting from and arising from the same, continuous, related or repeated conditions or incidents will be treated as

arising out of one “insured event”. In no event will any “loss” claimed and paid under one “insured event” be recoverable under any other “insured event”.

**N. NEW EXPOSURES AFTER INCEPTION**

If, after the inception of this policy, you newly acquire or form, whether by asset acquisition, stock acquisition, consolidation or merger, formation or any other means, an organization whose gross revenues are in excess of 10% of your gross revenues as of the effective date of the acquisition or formation, you must give us written notice within ninety (90) days of such effective date.

We reserve the right, to accept or decline the additional exposure created by the acquisition or formation, at our discretion. If we decline to accept the new exposure, the acquired or formed organization will be covered under this policy only until we notify you in writing that we have declined to accept the new exposure. In the event we agree to insure the new exposure, you agree to pay to us, promptly upon invoice, additional premium as billed. We will calculate the premium due from the date of acquisition or formation on a pro-rata basis for the remainder of the policy period.

This insurance does not apply to any “loss” arising out of the newly acquired or formed organization if you, at the time you gave notice us of the acquisition or formation, knew or reasonably could have known of the “insured event” out of which the “loss” arose.

**O. NON-ACCUMULATION OF LIABILITY**

Regardless of the number of years this policy may continue in force, and of the number or amount of premiums which may be payable or paid, or of any other circumstances whatsoever, our aggregate liability will not be cumulative from year to year or period to period. When there is more than one “insured”, our aggregate Limit of Liability for “loss” sustained by any or all such “insured(s)” will not exceed the amount for which we would be liable if all “loss” were sustained by any one of them.

**P. NOTICE OF LOSS**

In the event of discovery of an “insured event” that may be covered under the terms of this policy, you must, within 72 hours or as soon as practical, contact the 24-hour hotline described in First Steps in A Crisis attached to the policy, and provide written notice to us or any authorized representative we designate, containing particulars sufficient to identify the “insured” and information with respect to the time, place and circumstances of the “insured” event and estimated “loss”. **SUCH WRITTEN NOTICE MUST BE PROVIDED AS SOON AS POSSIBLE BUT IN NO EVENT LATER THAN 30 DAYS AFTER DISCOVERY OF THE “INSURED EVENT”.**

You must promptly take all reasonable steps to minimize any expense or damages involved, cooperate with us and, at our request, assist us in enforcing any right of contribution or indemnity against any person or organization other than a named “insured” under this policy, who may be liable to you.

**Q. NOTICES**

Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Declarations.

**R. OTHER INSURANCE**

This insurance is excess of and will not contribute with any other insurance of any kind whatsoever, whether primary, excess, contingent or on any other basis, except such policies that are written specifically to apply in excess of this policy.

Any other insurance available to you will not reduce or exhaust the ‘self-insured retention’, which must be borne by you and remain uninsured.”



**S. SALVAGE**

Any salvage or other recovery, after expenses incurred in salvage or recovery is deducted, will accrue entirely to our benefit until any sums we have paid been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the “insured”, the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by you.

Your good will and public image will be considered in determining whether any “insured product(s)” should be involved in salvage recovery. You agree not to unreasonably restrict our right to salvage. You will have full right to the possession of all goods involved in any “insured event” and will retain control of all damaged goods. You may not under any circumstances abandon any property to us.

**T. SELF INSURED RETENTION**

The self-insured retention stated in the Declarations will apply separately to each and every “insured event”. The “self-insured retention” is to be borne by you and remain uninsured. “Consultant costs” are not subject to a self-insured retention.

**U. SEVERABILITY, CONSTRUCTION AND CONFORMANCE TO STATUTE:**

If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is deemed to be severed and to have no effect on any other valid legal and enforceable provision of this policy. If any provision is or may be construed as being invalid, illegal or unenforceable for any reason, it will be construed by limiting it so as to be valid, legal, and enforceable to the extent compatible with applicable law. Any provisions which are in conflict with the statutes or regulations of the state or country in which the policy is issued are amended to conform to such statutes or regulations.

**V. SUBROGATION**

In the event of any payment under the policy, we will be subrogated to the extent of such payment to all the “insured’s” rights of recovery. In such case, you agree to execute all documents required and will do everything necessary to secure and preserve such rights including the execution of such documents necessary to enable us to bring “suit” in your name.

**W. SUITS, ACTIONS OR PROCEEDINGS AGAINST US**

No “suit”, action, or proceeding for recovery of any “loss” under this policy will be sustainable in any court of law, equity, or other tribunal unless all the requirements of this policy are complied with and are commenced within 24 months after a final statement of “loss” has been submitted to us by you.

**X. TERRITORY**

This policy applies to an “insured event” anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

**CHUBB®**

**ACE American Insurance Company**  
 436 Walnut Street  
 Philadelphia, PA 19106

**Chubb Recall Plus<sup>SM</sup> Insurance  
 For Component Parts**  
 Admitted Policy Form Declarations

<b>POLICY NO:</b> «policyno»	<b>RENEWAL OF:</b> «renewalof»
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<b>Item 1.</b>	<b>INSURING COMPANY</b>	<b>PRODUCER'S NAME &amp; ADDRESS:</b>
	«writingcompany»	«producer_name» «producer_address» «producer_citystatezip»  Producer No. «producer_no»

<b>Item 2.</b>	<b>NAMED INSURED</b>	<b>MAILING ADDRESS</b>
	«insured_name»	«address» «city», «state» «pincode»

<b>Item 3.</b>	<b>POLICY PERIOD</b>	
	From: «from»	12:01 A. M. Local Time At Named Insured's Address
	To: «to»	12:01 A. M. Local Time At Named Insured's Address

<b>Item 4.</b>	<b>LIMITS OF INSURANCE</b>	
	A. EACH INSURED EVENT	\$ «InsuredEventPremium»
	B. AGGREGATE OF ALL INSURED EVENTS	\$ «AggrPremium»

<b>Item 5.</b>	<b>SELF-INSURED RETENTION</b>	
	EACH INSURED EVENT	\$ «InsuredEvent_retention»

<b>Item 6.</b>	<b>RETRO-ACTIVE DATE</b>	
	«retro_date»	

<b>Item 7.</b>	<b>PREMIUM</b>	
	PREMIUM: \$«premium» TRIA «TRIAInc»«TRIAExc» TOTAL AMOUNT DUE: \$«Total_amt»	<input type="checkbox"/> FLAT(except for acquisitions) <input type="checkbox"/> ADJUSTABLE  Estimated Annual Exposure: \$ «EstAnnualExp»

<b>Item 8.</b>	<b>INSURED PRODUCTS</b>	
	«insured_products»	

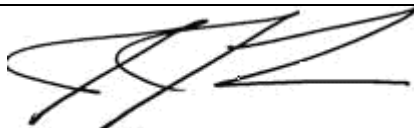
  

<b>Item 9.</b>	<b>ATTACHED FORMS</b>	
	This Policy provides coverage as indicated on the Schedule Of Forms attached.  These Declarations, together with the Policy and those forms listed in the Schedule Of Forms, complete the above numbered policy.	

**Item 10.**

**AUTHORIZATION INFORMATION**

Authorized Representative:



JOHN J. LUPICA, President

AUTHORIZED AGENT

Chubb. Insured.™

**CHUBB®**

**ACE American Insurance Company**  
436 Walnut Street  
Philadelphia, PA 19106

**Chubb Recall Plus<sup>SM</sup> Insurance  
For Consumable Products**  
Admitted Policy Form Declarations

<b>POLICY NO:</b> «policyno»	<b>RENEWAL OF:</b> «renewalof»
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<b>Item 1.</b>	<b>INSURING COMPANY</b>	<b>PRODUCER'S NAME &amp; ADDRESS:</b>
	«writingcompany»	«producer_name» «producer_address» «producer_citystatezip»  Producer No. «producer_no»

<b>Item 2.</b>	<b>NAMED INSURED</b>	<b>MAILING ADDRESS</b>
	«insured_name»	«address» «city», «state» «pincode»

<b>Item 3.</b>	<b>POLICY PERIOD</b>
	From: «from» 12:01 A. M. Local Time At Named Insured's Address To: «to» 12:01 A. M. Local Time At Named Insured's Address

<b>Item 4.</b>	<b>LIMITS OF INSURANCE</b>
	A. EACH INSURED EVENT \$ «InsuredEventPremium» B. AGGREGATE OF ALL INSURED EVENTS \$ «AggrPremium»

<b>Item 5.</b>	<b>SELF-INSURED RETENTION</b>
	EACH INSURED EVENT \$ «InsuredEvent_retention»

<b>Item 6.</b>	<b>RETRO-ACTIVE DATE</b>
	«retro_date»

<b>Item 7.</b>	<b>PREMIUM</b>
	PREMIUM: \$«premium» TRIA «TRIAInc»«TRIAExc» TOTAL AMOUNT DUE: \$«Total_amt»
	<input type="checkbox"/> FLAT(except for acquisitions) <input type="checkbox"/> ADJUSTABLE Estimated Annual Exposure: \$ «EstAnnualExp»

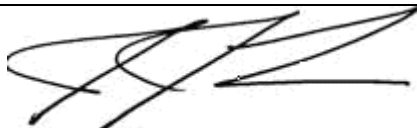
<b>Item 8.</b>	<b>INSURED PRODUCTS</b>
	«insured_products»

<b>Item 9.</b>	<b>ATTACHED FORMS</b>
	This Policy provides coverage as indicated on the Schedule Of Forms attached.  These Declarations, together with the Policy and those forms listed in the Schedule Of Forms, complete the above numbered policy.

**Item 10.**

**AUTHORIZATION INFORMATION**

Authorized Representative:



JOHN J. LUPICA, President

AUTHORIZED AGENT

Chubb. Insured.™

**CHUBB®**

**ACE American Insurance Company**  
 436 Walnut Street  
 Philadelphia, PA 19106

**Chubb Recall Plus<sup>SM</sup> Insurance  
 For Consumer Goods**  
 Admitted Policy Form Declarations

<b>POLICY NO:</b> «policyno»	<b>RENEWAL OF:</b> «renewalof»
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<b>Item 1.</b>	<b>INSURING COMPANY</b>	<b>PRODUCER'S NAME &amp; ADDRESS:</b>
	«writingcompany»	«producer_name» «producer_address» «producer_citystatezip»  Producer No. «producer_no»

<b>Item 2.</b>	<b>NAMED INSURED</b>	<b>MAILING ADDRESS</b>
	«insured_name»	«address» «city», «state» «pincode»

<b>Item 3.</b>	<b>POLICY PERIOD</b>	
	From: «from»	12:01 A. M. Local Time At Named Insured's Address
	To: «to»	12:01 A. M. Local Time At Named Insured's Address

<b>Item 4.</b>	<b>LIMITS OF INSURANCE</b>	
	A. EACH INSURED EVENT	\$ «InsuredEventPremium»
	B. AGGREGATE OF ALL INSURED EVENTS	\$ «AggrPremium»

<b>Item 5.</b>	<b>SELF-INSURED RETENTION</b>	
	EACH INSURED EVENT	\$ «InsuredEvent_retention»

<b>Item 6.</b>	<b>RETRO-ACTIVE DATE</b>	
	«retro_date»	

<b>Item 7.</b>	<b>PREMIUM</b>	
	PREMIUM: \$«premium» TRIA «TRIAInc»«TRIAExc» TOTAL AMOUNT DUE: \$«Total_amt»	<input type="checkbox"/> FLAT(except for acquisitions) <input type="checkbox"/> ADJUSTABLE  Estimated Annual Exposure: \$ «EstAnnualExp»

<b>Item 8.</b>	<b>INSURED PRODUCTS</b>	
	«insured_products»	

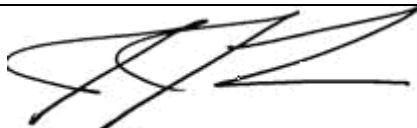
  

<b>Item 9.</b>	<b>ATTACHED FORMS</b>	
	This Policy provides coverage as indicated on the Schedule Of Forms attached.  These Declarations, together with the Policy and those forms listed in the Schedule Of Forms, complete the above numbered policy.	

**Item 10.**

**AUTHORIZATION INFORMATION**

Authorized Representative:



JOHN J. LUPICA, President

AUTHORIZED AGENT

Chubb. Insured.™

## DISTRICT OF COLUMBIA CHANGES

Named Insured			Endorsement Number
Policy Symbol	Policy Number	Policy Period <div style="text-align: center;">to</div>	Effective Date of Endorsement
Issued By (Name of Insurance Company)			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

### THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**This endorsement modifies insurance provided under the following:**

**CHUBB RECALL PLUS<sup>SM</sup> INSURANCE FOR COMPONENT PARTS POLICY FORM**  
**CHUBB RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMABLE PRODUCTS POLICY FORM**  
**CHUBB RECALL PLUS<sup>SM</sup> INSURANCE FOR CONSUMER GOODS POLICY FORM**

The policy is amended as follows:

- A. Under **SECTION IV. CONDITIONS**, the subsection titled CANCELLATION is deleted and replaced with the following:

#### CANCELLATION

You may cancel the policy by (a) the surrender of this policy to us or (b) by giving ten (10) days advance written notice to us, stating when thereafter such cancellation will be effective. We may cancel this policy by mailing or delivering to you, at your address stated in the Declarations, written notice stating when, not less than:

1. 90 days thereafter the cancellation will be effective, if you are a physician, surgeon, hospital, lawyer, dentist, architect, engineer, chiropractor, licensed natureopath, podiatrist or advanced practice registered nurse;

2. 60 days thereafter the cancellation will be effective, if you are other than the above,

except in the case of cancellation for non-payment of premium by you, in which case we will provide at least:

1. 10 days written notice, if the policy has been in effect for 30 days or less, or
2. 30 days written notice, if the policy has been in effect for more than 30 days or is a renewal of a policy we issued.

The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

If you cancel this policy, we will be entitled to retain or collect 110% of the pro rata earned premium, provided that no "loss" has been previously reported to us. However, if any "loss" has been reported to us during the relevant "policy period" and prior to the date of cancellation, we will be entitled to retain 100% of the total policy premium, not adjusted on a pro rata basis.

If we cancel this policy, we will be entitled to retain earned premium on a pro-rata basis. Payment or tender of any unearned premium by us will not be a condition precedent to the effectiveness of cancellation. Such payment will be made as soon as practicable, but any delay on our part will not extend the policy beyond the original cancellation date.

If this policy has been in effect for more than 30 days, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

1. Failure to pay a premium when due;



2. You have made a material and willful misstatement or omission of fact to us or our employees, agents, or brokers in connection with any application to or claim against us;
3. The property or other interest of the "insured" shall have been transferred to a person other than the "insured" or beneficiary, unless the transfer is permissible under the terms of the policy; or
4. The property, interest or use of the property has materially changed with respect to its insurability.

Notice of cancellation from us will state the effective date of cancellation and the reason(s) for cancellation, and will be mailed by certified mail to you at the last mailing addresses known to us. At least 5 days before mailing the notice to you, we will notify the agent or broker of record who wrote the policy. Proof of mailing will be sufficient proof of notice.

B. Under **SECTION IV. CONDITIONS**, the following condition is added:

**NONRENEWAL**

If we elect not to renew this policy, we will mail written notice of nonrenewal by certified mail to you at the last mailing addresses known to us. Notice of nonrenewal will state the reason(s) for nonrenewal and will be mailed at least 30 days before the end of the "policy period". At least 5 days before mailing the notice to you, we will notify the agent or broker of record who wrote the policy. Proof of mailing will be sufficient proof of notice.

All other terms and conditions of this policy remain unchanged.

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Authorized Representative

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	ACE American Insurance Company
<b>TOI/Sub-TOI:</b>	17.0 Other Liability-Occ/Claims Made/17.0022 Other		
<b>Product Name:</b>	19-GL-2017532		
<b>Project Name/Number:</b>	Product Recall Refile/19-GL-2017532		

## Supporting Document Schedules

<b>Bypassed - Item:</b>	Readability Certificate
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Consulting Authorization
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Copy of Trust Agreement
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	Expedited SERFF Filing Transmittal Form
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	ACE American Insurance Company
<b>TOI/Sub-TOI:</b>	17.0 Other Liability-Occ/Claims Made/17.0022 Other		
<b>Product Name:</b>	19-GL-2017532		
<b>Project Name/Number:</b>	Product Recall Refile/19-GL-2017532		

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date	Schedule Item Status	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/12/2019		Form	Chubb Recall Plus Insurance - For Component Parts	11/14/2019	REC-51657a (06-19) - Product Recall Component Parts Policy FT.pdf (Superceded)
11/12/2019		Form	Chubb Recall Plus Insurance - For Consumable Products	11/14/2019	REC-51660a (06-19) - Product Recall Consumable Products Policy FT.pdf (Superceded)
11/12/2019		Form	Chubb Recall Plus Insurance - For Consumer Goods	11/14/2019	REC-51663a (06-19) - Product Recall Consumer Goods Policy FT.pdf (Superceded)

**THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. IT APPLIES ONLY TO CLAIMS MADE AFTER THE INCEPTION DATE AND BEFORE 30 DAYS AFTER DISCOVERY OF THE POTENTIAL "INSURED EVENT". IF A CLAIM IS MADE AFTER THE CANCELLATION OR NON-RENEWAL OF THE POLICY, YOU WILL NOT HAVE COVERAGE FOR THAT CLAIM.**

This is your Chubb Recall Plus<sup>SM</sup> Insurance Policy, providing insurance for covered product recalls of your component parts. Certain provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the organization named in the Declarations as the Named Insured. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section II. Definitions.**

## **SECTION I. INSURING AGREEMENT**

In consideration of your payment of premium and in reliance upon your statements made in the application form for this policy, as well as the information and material you submitted as part of such application, we agree with you as follows:

We will reimburse you for "Loss", to which this insurance applies, in excess of the applicable "self-insured retention", up to the Limits of Insurance stated in the Declarations, that is caused by an "insured event" that is first discovered by you during the "policy period" and reported to us in compliance with the provisions of the Notice of Loss condition.

## **SECTION II. DEFINITIONS**

- A. "Bodily injury" means physical injury, sickness, disease, or death sustained by a person.
- B. "Consultant costs" means the fees and expenses incurred by you for the advisory services of the Crisis Consultants referred to in ***First Steps in a Crisis*** attached to this policy to assist you (1) in responding to events or incidents that have the potential to lead to an "insured event" or (2) in response to an actual "insured event". "Consultant costs" do not include any of the costs defined in "recall costs".
- C. "Consequential damages" means the costs, expenses and loss of a profit a "customer" has incurred or suffered caused solely and directly in connection with a covered "insured event" and for which you are legally obligated to reimburse or pay that "customer".

Consequential damages to not include:

- 1. Any fines, fees, penalties, punitive and / or exemplary damages
  - 2. Any loss or expenses recoverable elsewhere in this policy.
- D. "Customer" means the party or parties to or with whom you have:
    - 1. directly contracted; or
    - 2. indirectly supplied your "insured product(s)"
  - E. "Defense costs" means legal costs and other expenses incurred by or on behalf of the "insured" in connection with the defense of any actual or anticipated claim, including attorneys' fees and disbursement, court costs, premiums on attachment or appeal bonds, pre-judgment and post-judgment interest, expenses for experts and for investigation, adjustment, appraisal and settlement, excluding salaries, wages and benefits of your employees and administrative expenses incurred by you.
  - F. "Impaired property" means tangible property, other than your "insured product", that cannot be used; or is

less useful because it incorporates your “insured product(s)” that is known to be defective, deficient, inadequate or dangerous provided that such tangible property can be restored to use by the repair, replacement, adjustment or removal of your “insured product(s).”

G. “Insured” means:

1. The organization identified as the Named Insured in the Declarations of this policy;
2. Any subsidiary of the Named Insured and any other organization under the active management and control of the Named Insured as of the inception date of the policy, provided that such subsidiary or organization was made known to us prior to the inception date of the policy;
3. If the Named Insured is a partnership, limited liability company or joint venture, its partners or members, but only with respect to the conduct of the Named Insured’s business.

H. “Insured event” means a voluntary, involuntary or mandatory recovery of “stock”, market withdrawal or recall, of an “insured product(s)” by or on behalf of its manufacturer, producer, processor, distributor, purchaser, retailer, wholesaler, importer, exporter, a regularly constituted federal, state or local regulatory or administrative body or user of the “insured product(s)” because of an error or omission that occurred during the “manufacturing process” provided that the use of or exposure to such “insured product(s)” has resulted in or would result in “bodily injury”, “property damage” or “impaired property”.

I. “Insured product(s)”, unless otherwise specified in the Declarations or in a document referred to in the Declarations, means:

Any good or product(s), including any of their components, that:

1. are in production by the “insured(s)”;
2. have been manufactured, treated, handled, packaged, or distributed by the “insured(s)” or by any contract manufacturer for the “insured(s); or;
3. are available for sale by the “insured(s)” or are sold by, or on behalf of the “insured” by any distributor, wholesaler or retailer.

“Insured product(s)” does not include newly introduced or newly developed products described below:

Any product(s) which are newly introduced or newly developed by the “insured(s)” after the inception of this policy, provided, however, that if written notice is given to us no less than (90) days prior to the introduction for sale and we have given written acceptance of such new product(s) within 30 days of written receipt of the request to cover the new product then the new product will be an “Insured Product”. Notwithstanding, such acceptance by us may be conditioned upon changes in one or more of the terms, conditions or premium of the policy.

Variations of existing products and/or new blends are not considered a newly developed product.

- J. “Loss” means “pre-incident costs”, “recall costs”, “defense costs”, “replacement costs”, “consequential damages” and “consultant costs” that you have incurred directly and solely in connection with a covered “insured event”.
- K. “Manufacturing process” means the design, development, production, fabrication, processing, treating, machining, reshaping, assembly, labeling and/or packing of the “insured product(s)”.
- L. “Policy period” means the time between the inception date of this policy shown in the Declarations and the expiration date shown or any earlier termination date of this policy.
- M. “Pre-incident costs” means the costs incurred by you for chemical analysis and/or physical examination necessary to determine whether the use of the “insured product(s)” causes “bodily injury”, “property damage” or “impaired property”.
- N. “Property damage” means any physical damage to, or destruction of or loss of use of tangible property other

than the “insured product(s)”.

- O. “Recall costs” means the following costs and expenses listed below incurred by you or your retailers or other third parties arising out of an “insured event” to recover, withdraw or recall such affected “insured product(s)”:
1. The cost of newspaper, magazine or any printed advertising (whether electronic or otherwise), radio and television announcements or commercials, as well as the cost of correspondence regarding or concerning the recall.
  2. The cost of shipping the “insured product(s)” from any purchaser, distributor or user to the place or places that you designate.
  3. The cost to rent additional warehouse or storage space.
  4. The cost of hiring additional persons other than regular employees to assist with the recall of the “insured product(s)”.
  5. Overtime paid to non-salaried employees and additional compensation paid to other than non-salaried employees for work devoted exclusively to the recall of the “insured product(s)”.
  6. Employees’ travel, transportation and lodging expenses directly attributable to the recall of the “insured product(s)”.
  7. The cost of disposal of the “insured product(s) and/or “impaired property”, to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid “bodily injury” or “property damage” as a result of such disposal.
  8. Expenses incurred for the proper disposal of the unused packaging and point-of-purchase marketing material of a recalled “insured product(s)” if such packaging or material cannot reasonably be reused.
- P. “Replacement costs” means:
1. The total amount of refunds you give to purchasers for the affected “insured product(s)”, not to exceed the initial purchasing price of the goods sold.
  2. The direct costs to repair the affected “insured product(s)” and / or the “impaired property”, including the cost to repair unsold stock.
  3. The direct cost to produce or acquire a like replacement product if the affected “insured product(s)” and / or the “impaired property” cannot be repaired.
  4. The direct cost of unsold finished stock if the affected “insured product(s)” and / or the “impaired property” cannot be repaired, reconditioned, decontaminated or otherwise treated so as to render it marketable.
  5. The direct cost related to the removal and installation of the affected repaired or replaced “insured product(s)” and / or “impaired property”.
  6. The actual cost to redistribute any affected restored, repaired or replaced “insured product(s)” and / or “impaired property”.
- Q. “Retroactive date” means the date stated in the Retroactive Date section of the Declarations
- R. “Self-insured retention” means the amount stated the Self-Insured Retention section of the Declarations.
- S. “Stock” means that portion of the lot, batch, production run or other relevant unit of an “insured product(s)” that has not left the direct control of the “insured(s)” or been released for sale or use.
- T. “Suit” means a civil proceeding seeking damages for “loss”, other than “defense costs”, arising out of an “insured event” to which this insurance applies. “Suit” includes arbitration or other alternative dispute

resolution proceeding in which such damages are claimed and to which you submit with our consent.

- U. "Terrorism" means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

### **SECTION III. EXCLUSIONS**

This insurance does not apply to any "loss", cost or expense arising out of, based upon, attributable to or involving, directly or indirectly:

- A. Any "insured event" resulting from or related to the natural gradual deterioration, decomposition or transformation of the chemical structure of any "insured" product(s), including but not limited to any combination or interaction among components or packaging, caused in whole or in part by the "insured product(s)" having passed its specified or reasonably expected expiration date for use.
- B. Any dishonest, illegal, willful, wanton, fraudulent, criminal or malicious act, error or omission by any director, officer, member, partner or trustee of any "insured".
- C. Any violation of a governmental regulation by any director, officer, partner or trustee of an "insured" in connection with the manufacture, sale or distribution of any "insured product(s)".
- D. Any use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity.
- E. Any "insured event" where "loss" arises out of a change in governmental regulations with respect to the safety of any "insured product(s)".
- F. Any fines, fees, penalties, punitive or exemplary damages imposed by third parties, courts or governmental organizations or agencies.
- G. Any "insured event" arising out of a failure by any party other than you to adhere to procedures prescribed by you regarding the storage or use of any "insured product(s)".
- H. Any "insured event" that occurs after any of your directors, officers, partners or trustees has knowledge of (1) a defect or deviation in the production, preparation or manufacture of the "insured product(s)" or (2) circumstances which have or are likely to result in such deviation or defect, and fails to take corrective action regarding such defect, deviation or circumstances.
- I. Any pre-existing condition, circumstance or situation which any of your directors, officers, partners or trustees knew of or should have known of, prior to the inception of this policy, that caused or could reasonably have been expected to cause, lead to or result in an "insured event".
- J. Any third party products liability claim or "suit" alleging "bodily injury" or "property damage".
- K. Any costs associated with the expense to redesign, engineer or re-engineer any "insured product(s)".
- L. Any "suit" made or brought by or on behalf of any "insured" against any other "insured".
- M. Any "Consultant costs" incurred after we have determined and communicated to you that no "insured event" resulted from an actual or threatened incident.
- N. Any failure of the "insured product(s)" arising out of any third party designs or specifications unless the failure is due to an unintended mistake, error or flaw in the "manufacturing process".
- O. Any monetary obligation of an "insured" by reason of an assumption of liability in a contract or agreement or that the "insured" would not have in the absence of the contract or agreement.
- P. Any unqualified, contractually obligated acceptance of any "insured product(s)" by or on behalf of your customers.

Q.

R. Any “insured product(s)” manufactured prior to the “retroactive date” shown in the Declarations.

S.

T. Any actual or alleged act of “terrorism”.

U. Any nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the “insured product(s)”, whether such reaction, radiation or contamination is controlled or uncontrolled or results from any act or condition incident to any of the foregoing.

V. War, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

#### **SECTION IV. CONDITIONS**

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##### **A. APPRAISALS**

If there is a covered “loss” concerning which you and we fail to agree as to the monetary value of the “loss”, and we reject of your final statement of “loss”, the “loss” will be submitted for an independent appraisal. Either party may make a written demand for an independent appraisal within sixty (60) days the rejection. Upon such demand, each party will select a competent and disinterested appraiser and notify the other party of the name of the appraiser selected within 20 days of such demand. These appraisers will first select a competent and disinterested umpire. If they cannot agree on the selection of an umpire within 15 days, such umpire will be selected by the then current President of the Chartered Institute of Loss Adjusters. The parties will submit their cases to the appraisers and the umpire within 30 days of the appointment of the umpire. A majority of the panel may make an award stating the amount of the covered “loss” along with details and itemization of the elements of the “loss”. Each party will be responsible for payment of fees to its chosen appraiser and will share equally other expenses of the appraisal, including the umpire’s fees. The appraisal is not binding and neither party will be deemed to have waived any rights by participating in the appraisal.

##### **B. ASSIGNMENT**

You may not assign this policy or any rights you may have under the policy without our prior written consent.

##### **C. AUTHORIZATION OF THE FIRST NAMED INSURED**

You agree that the first named “insured” listed on the Schedule of Insureds is authorized to and does in fact act on behalf of any and all organizations qualifying as “insured(s)” with respect to any rights, duties and obligations they may have under the policy; and any and all such other insureds assign all rights and delegate all duties they may have under the policy to first named insured listed in the Declarations.

##### **D. CALCULATION OF LOSS**

In the event of any covered “loss”, you must provide to us a written request for payment as soon as practicable, accompanied by a computation of the “loss” setting forth in detail how the “loss” has been calculated and what assumptions have been made. You must provide to us any documentary evidence, including true copies of your books of account, bills, invoices, vouchers and other relevant documents that we or our representatives (including forensic accountants) may require. You must cooperate and afford our designates every assistance in their investigations, including reasonable access to any premises, personnel and documents we deem necessary for the purpose of the computation of “loss”.

We will determine the amount of any “loss”, taking into account any savings or recoveries or offsetting or make-up of “loss” which you have made or could reasonably have been expected to make and your ability to resume operations. We will apply standard accounting principles as recognized by the relevant regulatory authorities in your home jurisdiction. If you do business in more than one jurisdiction the relevant



accounting principles to be applied will be those of the jurisdiction in which the subsidiary, division or other organizational unit that sustained the “loss” is based.

Limits of insurance, premiums and other amounts as expressed in this policy, and “loss” and “consultant costs” payable under the policy are in U.S. currency. If we pay for “loss” or “consultant costs” calculated in currency other than U.S. currency, the rate of exchange will be based on the published wholesale exchange rate on the date we receive written notice of the “insured event”. However, if there is no “insured event”, the exchange rate for “consultant costs” will be based on the published wholesale exchange rate on the date the “consultant costs” are first submitted to us in writing.

Whether or not any partial payments have been made, you must submit to us a final written statement of loss including all items of “loss” upon request after an “insured event” becomes known to you.

Nothing in the condition will be deemed to amend or supersede the provisions of the Notice of Loss condition.

#### **E. CANCELLATION**

You may cancel the policy by (a) the surrender of this policy to us or (b) by giving ten (10) days advance written notice to us, stating when thereafter such cancellation will be effective. We may cancel this policy by mailing or delivering to you, at your address stated in the Declarations, written notice stating when, not less than 60 days thereafter, the cancellation will be effective, except in the case of cancellation for non-payment of premium by you, in which case we will provide at least 10 days written notice. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

If you cancel this policy, we will be entitled to retain or collect 110% of the pro-rata earned premium, provided that no “loss” has been previously reported to us. However, if any “loss” has been reported to us during the relevant “policy period” and prior to the date of cancellation, we will be entitled to retain 100% of the total policy premium, not adjusted on a pro-rata basis.

If we cancel this policy, we will be entitled to retain earned premium on a pro-rata basis. Payment or tender of any unearned premium by us will not be a condition precedent to the effectiveness of cancellation. Such payment will be made as soon as practicable, but any delay on our part will not extend the policy beyond the original cancellation date.

#### **F. CHANGES**

This policy contains all the agreements between you and us concerning this insurance. Notice to any of our representatives or knowledge possessed by any of our representative(s) or by any other person will not constitute or operate as a waiver or a change in any part of the policy or prevent us from asserting any right under the terms of this policy, nor can the terms of this policy be waived or changed unless agreed to in writing by us in an endorsement annexed to the policy.

#### **G. CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD**

Without prejudice to our other rights, however arising, this policy will be voidable by us if any “insured” engages in concealment, misrepresentation, non-disclosure, or fraud with respect to any fact that is material to this insurance or the procurement thereof; the “insured product(s)”, the “insured’s” interest in the “insured product(s)”, any “insured event”, or any “loss” or claim under this policy.

#### **H. COOPERATION**

You agree to cooperate with us in all matters relating to this policy. This may include, but is not limited to, providing information and documents, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

#### **I. DUE DILIGENCE**

You agree to exercise due diligence to take all reasonable and practical steps to avoid any happening or circumstances giving rise to an “insured event” and to make all reasonable efforts to mitigate any “loss” occurring as a result of an “insured event”.

**J. EXCESS INSURANCE**

You may purchase other insurance over the Limit of Liability set forth in this policy without prejudice to this policy, provided that we are notified in writing of the details of such other excess insurance at the time such other insurance is acquired. The existence of such other insurance, if any, will not reduce our liability under this policy.

**K. FRAUDULENT CLAIMS**

If any material fact concerning a claim, an “insured event” or item of “loss” is in any respect fraudulent or intentionally concealed or misrepresented, this policy will be voidable by us and you will not be entitled to any coverage or proceeds.

**L. INSPECTION AND AUDIT**

We may examine and audit your business documents relating to the subject matter of this insurance until three years after this policy has expired or has been cancelled. Any premium due for exposures which existed but were not reported will be determined through audit by us and you will be liable for such audit premium.

**M. LIMITS OF INSURANCE**

The Limits of Insurance shown in the Declarations of this policy are the most we will pay for any and all “loss” regardless of the number of “insured events”, “insured products” or “insured(s)”. All “loss” resulting from and arising from the same, continuous, related or repeated conditions or incidents will be treated as arising out of one “insured event”. In no event will any “loss” claimed and paid under one “insured event” be recoverable under any other “insured event”.

**N. NEW EXPOSURES AFTER INCEPTION**

If, after the inception of this policy, you newly acquire or form, whether by asset acquisition, stock acquisition, consolidation or merger, formation or any other means, an organization whose gross revenues are in excess of 10% of your gross revenues as of the effective date of the acquisition or formation, you must give us written notice within ninety (90) days of such effective date.

We reserve the right, to accept or decline the additional exposure created by the acquisition or formation, at our discretion. If we decline to accept the new exposure, the acquired or formed organization will be covered under this policy only until we notify you in writing that we have declined to accept the new exposure. In the event we agree to insure the new exposure, you agree to pay to us, promptly upon invoice, additional premium as billed. We will calculate the premium due from the date of acquisition or formation on a pro-rata basis for the remainder of the policy period.

This insurance does not apply to any “loss” arising out of the newly acquired or formed organization if you, at the time you gave notice us of the acquisition or formation, knew or reasonably could have known of the “insured event” out of which the “loss” arose.

**O. NON-ACCUMULATION OF LIABILITY**

Regardless of the number of years this policy may continue in force, and of the number or amount of premiums which may be payable or paid, or of any other circumstances whatsoever, our aggregate liability will not be cumulative from year to year or period to period. When there is more than one “insured”, our aggregate Limit of Liability for “loss” sustained by any or all such “insured(s)” will not exceed the amount for which we would be liable if all “loss” were sustained by any one of them.

**P. NOTICE OF LOSS**

In the event of discovery of a potential “insured event” that may be covered under the terms of this policy, you must, within 72 hours or as soon as practical, contact the 24-hour hotline described in ***First Steps in a Crisis*** attached to the policy, and provide written notice to us or any authorized representative we designate, containing particulars sufficient to identify the “insured” and information with respect to the time, place and circumstances of the “insured” event and estimated “loss”. SUCH WRITTEN NOTICE MUST BE PROVIDED AS SOON AS POSSIBLE BUT IN NO EVENT LATER THAN 30 DAYS AFTER DISCOVERY OF THE POTENTIAL “INSURED EVENT”.

You must promptly take all reasonable steps to minimize any expense or damages involved, cooperate with us and, at our request, assist us in enforcing any right of contribution or indemnity against any person or organization other than a named “insured” under this policy, who may be liable to you.

**Q. NOTICES**

Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Declarations.

**R. OTHER INSURANCE**

This insurance is excess of and will not contribute with any other insurance of any kind whatsoever, whether primary, excess, contingent or on any other basis, except such policies that are written specifically to apply in excess of this policy.

Any other insurance available to you will not reduce or exhaust the ‘self-insured retention’, which must be borne by you and remain uninsured.

**S. SALVAGE**

Any salvage or other recovery, after expenses incurred in salvage or recovery is deducted, will accrue entirely to our benefit until any sums we have paid been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the “insured”, the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by you.

Your good will and public image will be considered in determining whether any “insured product(s)” should be involved in salvage recovery. You agree not to unreasonably restrict our right to salvage. You will have full right to the possession of all goods involved in any “insured event” and will retain control of all damaged goods. You may not under any circumstances abandon any property to us.

**T. SELF INSURED RETENTION**

The self-insured retention stated in the Declarations will apply separately to each and every “insured event”. The “self-insured retention” is to be borne by you and remain uninsured. “Consultant costs” are not subject to a self-insured retention.

**U. SEVERABILITY, CONSTRUCTION AND CONFORMANCE TO STATUTE:**

If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is deemed to be severed and to have no effect on any other valid legal and enforceable provision of this policy. If any provision is or may be construed as being invalid, illegal or unenforceable for any reason, it will be construed by limiting it so as to be valid, legal, and enforceable to the extent compatible with applicable law. Any provisions which are in conflict with the statutes or regulations of the state or country in which the policy is issued are amended to conform to such statutes or regulations.

**V. SUBROGATION**

In the event of any payment under the policy, we will be subrogated to the extent of such payment to all the “insured’s” rights of recovery. In such case, you agree to execute all documents required and will do

everything necessary to secure and preserve such rights including the execution of such documents necessary to enable us to bring "suit" in your the name.

**W. SUITS, ACTIONS OR PROCEEDINGS AGAINST US**

No "suit", action, or proceeding for recovery of any "loss" under this policy will be sustainable in any court of law, equity, or other tribunal unless all the requirements of this policy are complied with and are commenced within 24 months after a final statement of "loss" has been submitted to us by you.

**X. TERRITORY**

This policy applies to an "insured event" anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

**THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. IT APPLIES ONLY TO CLAIMS MADE AFTER THE INCEPTION DATE AND BEFORE 30 DAYS AFTER DISCOVERY OF THE POTENTIAL “INSURED EVENT”. IF A CLAIM IS MADE AFTER THE CANCELLATION OR NON-RENEWAL OF THE POLICY, YOU WILL NOT HAVE COVERAGE FOR THAT CLAIM.**

This is your CHUBB Recall Plus<sup>SM</sup> Insurance Policy, providing insurance for covered product recalls of your consumable products. Certain provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the organization named in the Declarations as the Named Insured or other “insured”. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section II. Definitions**.

### **SECTION I. INSURING AGREEMENT**

In consideration of your payment of premium and in reliance upon your statements made in the application form for this policy, as well as the information and material you submitted as part of such application, we agree with you as follows:

We will reimburse you for “Loss”, to which this insurance applies, in excess of the applicable “self-insured retention”, up to the Limits of Insurance stated in the Declarations, that is caused by an “insured event” that is first discovered by you during the “policy period” and reported to us in compliance with the provisions of the Notice of Loss condition.

### **SECTION II. DEFINITIONS**

- A. “Adulterated” means:
1. accidentally or unintentionally contaminated or impaired by a microbiological, chemical, allergen or physical hazard; or
  2. mislabeled; or
  3. deliberately, maliciously, illegally or allegedly tampered or threatened to be tampered.
- B. “Adverse publicity” means the naming of both the “insured(s)” and the “insured product(s)” in any local, regional or national media, including but not limited to, radio, television, newspapers, magazines, the internet or any governmental publication, during the “policy period”, with the implication that the “insured product(s)” is “adulterated” and that the consumption, exposure to, or use of such “insured product(s)” has resulted in or would result in “bodily injury” or “property damage”.
- C. “Bodily injury” means physical injury, sickness, disease, or death sustained by a person.
- D. “Brand rehabilitation expenses” means the advertising, marketing and public relations expenses incurred by you as a direct result of an “insured event” to re-establish the “insured product(s)” to the projected level of sales or market share anticipated prior to the “insured event”.
- E. “Business interruption” means your actual loss of “business income” you sustained solely and directly in connection with a covered “insured event”.
- F. “Business income” means your sales revenue projected prior to the happening of an “insured event”, but which has been lost after the decrease in sales attributable to and caused directly by an “insured event”, less
1. the variable costs that would have been incurred during the same period, but which have been saved as a result of not making those sales (including the cost of raw materials and all other saved

costs); and

2. the increased sales of another “insured product(s)” within the same product line as the affected “insured product(s)” claimed in the “loss” as a result of an “insured event”.

G. “Consultant costs” means the fees and expenses incurred by you for the advisory services of the Crisis Consultants referred to in ***First Steps in a Crisis*** attached to this policy to assist you (1) in responding to events or incidents that have the potential to lead to an “insured event” or (2) in response to an actual “insured event”. “Consultant costs” do not include any of the costs defined in “recall costs”.

H. “Consequential damages” means the costs, expenses and / or loss of profit a “customer” has incurred or suffered caused solely and directly in connection with a covered “insured event” and for which you are legally obligated to reimburse or pay that “customer”.

Consequential damages do not include:

1. Any fines, fees, penalties, punitive and / or exemplary damages
2. Any loss or expenses recoverable elsewhere in this policy.

I.

J. “Customer” means the part of parties to or with whom you have:

1. directly contracted; or
2. indirectly supplied your “insured product(s)”

K. “Extra expense” means the reasonable and necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no “loss” resulting from an “insured event” to:

1. Avoid or minimize the “suspension” of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
2. Minimize the “suspension” of business if you cannot continue “operations”.
3. Maintain employment of your work force

Extra Expense does not include:

4. Any “business interruption”
5. Any cost to repair, restore or replace the “insured product(s)”
6. Any expenses recoverable elsewhere in this policy.

L. “Defense costs” means legal costs and other expenses incurred by or on behalf of the “insured” in connection with the defense of any actual or anticipated claim, including attorneys’ fees and disbursement, court costs, premiums on attachment or appeal bonds, pre-judgment and post-judgment interest, expenses for experts and for investigation, adjustment, appraisal and settlement, excluding salaries, wages and benefits of your employees and administrative expenses incurred by you.

M. “Extortion costs” means:

1. “Extortion monies” paid by you in direct response to a “product extortion” demand.
2. “Extortion monies” lost due to the destruction, disappearance, confiscation or wrongful appropriation of “extortion monies” while being handled or conveyed for delivery by anyone who is authorized by you to have custody thereof; provided that the “product extortion” demand which gave rise to the delivery is covered by this insurance.
3. Expenses or fees which are incurred and paid by you solely as a direct result of a “product extortion” demand, including the following:

- a. The amount paid by you as a “reward” to an “informant” for information relevant to a specific “product extortion” demand. However, no “reward” will be paid to any director, officer, trustee, member or partner of any “insured” or to any employee, agent or other representative of any “insured” holding similar responsibilities;
  - b. Interest due on any loan made to you by a financial institution for the purpose of paying “extortion monies”;
  - c. Reasonable costs of travel and accommodations incurred by you or on your behalf while attempting to negotiate a “product extortion” demand;
  - d. Reasonable increased costs of security due to a “product extortion” demand including hiring of security guards, hiring of armored vehicles, and overtime pay to existing security staff for a period of up to 90 days, provided however that a security consultant approved by us has specifically recommended such increased security measures.
- N. “Extortion Monies” means any monies paid by the “insured(s)” or lost in transit subsequent to a “product extortion” demand. For the purpose of this insurance policy, the term monies includes cash, monetary instruments, bullion or the fair market value of any securities, tangible property or services.
- O. “Informant” means any person providing information not otherwise obtainable, in return for a “reward” offered by you.
- P. “Insured(s)” means:
- 1. The organization identified as the Named Insured in the Declarations of this policy;
  - 2. Any subsidiary of the Named Insured and any other organization under the active management and control of the Named Insured as of the inception date of the policy, provided that such subsidiary or organization was made known to us prior to the inception date of the policy;
  - 3. If the Named Insured is a partnership, limited liability company or joint venture, its partners or members, but only with respect to the conduct of the Named Insured’s business.
- Q. “Insured Event” means:
- 1. a voluntary, involuntary or mandatory recovery of “stock”, market withdrawal or recall, of an “adulterated” “insured product(s)” by or on behalf of its manufacturer, producer, processor, distributor, purchaser, retailer, wholesaler, importer, exporter, a regularly constituted federal, state or local regulatory or administrative body or user of the “insured product(s)” provided that the consumption, exposure to, or use of such “insured product(s)” has resulted in or would result in “bodily injury” or “property damage”; or
  - 2. “adverse publicity”.
- R. “Insured product(s)”, unless otherwise specified in the Declarations or in a document referred to in the Declarations, means:
- Any topical or ingestible product(s) for human use or consumption, including any of their ingredients, components or packaging, provided such product(s):
- 1. are in production by the “insured(s)”;
  - 2. have been processed, manufactured, mixed, blended, compounded, packaged, handled or distributed by the “insured(s)” or by any contract manufacturer for the “insured(s)”; or;
  - 3. are available for sale by the “insured(s)” or are sold on behalf of the “insured” by any distributor, wholesaler or retailer.

“Insured product(s)” does not include newly introduced or newly developed products described below:



Any product(s) which are newly introduced or newly developed by the “insured(s)” after the inception of this policy, provided, however, that if written notice is given to us no less than (90) days prior to the introduction for sale and we have given written acceptance of such new product(s) within 30 days of written receipt of the request to cover the new product then the new product will be an “Insured Product”. Notwithstanding, such acceptance by us may be conditioned upon changes in one or more of the terms, conditions or premium of the policy.

Variations of existing products and/or new blends are not considered a newly developed product.

- S. “Loss” means “pre-incident costs”, “recall costs”, “replacement costs”, “business interruption”, “brand rehabilitation expenses”, “extra expenses”, “extortion costs”, “consequential damages”, “defense costs” and “consultant costs”, that you have incurred directly and solely in connection with a covered “insured event”.
- T. “Period of restoration” means the period from the time of “suspension” when either:
1. the premises have been made ready for operations under the same or equivalent physical and operating conditions that existed prior to the “insured event”; or
  2. normal operations resume.
- whichever comes first up to a maximum period of 12 months.
- U. “Policy period” means the time between the inception date and the expiration date of this policy shown in the Declarations or any earlier termination date of the policy.
- V. “Pre-incident costs” means the costs incurred by you for chemical analysis and/or physical examination necessary to determine whether the “insured product(s)” has been “adulterated” or to determine what, if any, potential effect might result from the “adulterated” “insured product(s)”.
- W. “Property damage” means any physical damage to, or destruction of or loss of use of tangible property other than the “insured product(s)”.
- X. “Recall costs” means the following costs and expenses listed below incurred by you or your retailers or other third parties arising out of an “insured event” to recover, withdraw or recall such affected “insured product(s)”:
1. The cost of newspaper, magazine or any printed advertising (whether electronic or otherwise), radio and television announcements or commercials, as well as the cost of correspondence regarding or concerning the recall.
  2. The cost of shipping the “insured product(s)” from any purchaser, distributor or user to the place or places that you designate.
  3. The cost to rent additional warehouse or storage space.
  4. The cost of hiring additional persons other than regular employees to assist with the recall of the “insured product(s)”.
  5. Overtime paid to non-salaried employees and additional compensation paid to other than non-salaried employees for work devoted exclusively to the recall of the “insured product(s)”.
  6. Employees’ travel, transportation and lodging expenses directly attributable to the recall of the “insured product(s)”.
  7. The cost of disposal of the “insured product(s)”, to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid “bodily injury” or “property damage” as a result of such disposal.
  8. Expenses incurred for the proper disposal of the unused packaging and point-of-purchase marketing material of a recalled “insured product(s)” if such packaging or material cannot reasonably be reused.
  9. Retail slotting fees and cancellation fees for any advertising or promotional program which were scheduled but which were unable to be executed because of an “insured event”.



10. Retail fees as required by contract not otherwise listed.

Y. "Replacement costs" means:

1. The total amount of refunds you give to purchasers for the "adulterated" "insured product(s)", not to exceed the initial purchasing price of the goods sold.
2. The direct costs to repair the "adulterated" "insured product(s)", including the cost to repair unsold stock,
3. The direct cost to produce or acquire a like replacement product if the "adulterated" "insured product(s)" cannot be repaired.
4. The direct cost of unsold finished stock if the "adulterated" "insured product(s)" cannot be repaired, reconditioned, decontaminated or otherwise treated so as to render it marketable,.
5. The direct cost related to the removal and installation of the repaired or replaced "adulterated" "insured product(s)".
6. The actual cost to redistribute any restored, repaired or replaced "adulterated" "insured product(s)".

Z. "Self-insured retention" means the amount stated in the Self-Insured Retention section of the Declarations.

AA. "Stock" means that portion of the lot, batch, production run or other relevant unit of an "adulterated" "insured product(s)" that has not left the direct control of the "insured(s)" or been released for sale or use.

BB. "Suit" means a civil proceeding seeking damages for "loss", other than "defense costs", arising out of an "insured event" to which this insurance applies. "Suit" includes arbitration or other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

CC. "Suspension" means a slowdown, cessation or shut down of your business activities arising out of a covered "insured event".

DD. "Terrorism" means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

### **SECTION III. EXCLUSIONS**

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This insurance does not apply to any "loss", cost or expense arising out of, based upon, attributable to or involving, directly or indirectly:

- A. Any "insured event" arising out of the natural gradual deterioration, decomposition or transformation of the chemical structure of any "insured" product(s)", including but not limited to any combination of or interaction among components or packaging, caused in whole or in part by the "insured product(s)" having passed its specified or reasonably expected expiration date for use or consumption.
- B. Any willful, wanton, fraudulent, illegal, malicious, dishonest or criminal act by any director, officer, member, partner or trustee of any "insured".
- C. Any violation of a governmental regulation by any director, officer, partner or trustee of an "insured" in connection with the manufacture, sale or distribution of any "insured product(s)".
- D. Any use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity.
- E. Any "insured event" where "loss" arises out of a change in governmental regulations with respect to the safety of any "insured product(s)".
- F. Any fees, fines or penalties (other than those listed in (9) and (10) of the definition of "recall costs") imposed by third parties, courts or governmental organizations or agencies.
- G. Any "insured event" arising out of a failure by any party other than you to adhere to procedures

prescribed by you regarding the storage, consumption or use of any “insured product(s)”.

- H. Any “insured event” that occurs after any of your directors, officers, partners or trustees has knowledge of (1) an “adulterated” “insured product(s)” in the production, preparation or manufacture of the “insured product(s)” or (2) of circumstances which have or are likely to result in such “adulterated” “insured product(s)” and fails to take corrective action regarding these circumstances.
- I. Any pre-existing condition, circumstance or situation which any of your directors, officers, partners or trustees knew of or should have known of, prior to the inception of this policy, that caused or could reasonably have been expected to cause, lead to or result in an “insured event”.
- J. Any third party liability claim or “suit” alleging “bodily injury” or “property damage”.
- K. Any costs associated with the expense to design or redesign, engineer or re-engineer any “insured product(s)”.
- L. Any “suit” made or brought by or on behalf of any “insured” against any other “insured”.
- M. Any “consultant costs” incurred after we have determined and communicated to you that no “insured event” resulted from an actual or threatened incident.
- N. Any “insured event” arising out of:
  - 1. Bioengineering, genetic engineering or genetic modification of any “insured product(s)”;
  - 2. Hormone treatment of any “insured product(s)”;
  - 3. Transmissible Spongiform Encephalopathy (TSE);
  - 4. Avian Influenza Virus; or
  - 5. Any carcinogen.
- O. Any loss of or diminution of value in land, buildings, structures, fixtures; or lawns (including as a result of weather-related failures, pests or other cause); or contamination of livestock.
- P. Any actual or alleged act of “terrorism”, unless the direct target of the “terrorism” is the “insured” or “insured product(s)”.
- Q. Any nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the “insured product(s)”), whether such reaction, radiation or contamination is controlled or uncontrolled or results from any act or condition incident to any of the foregoing.
- R. War, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

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#### **SECTION IV. CONDITIONS**

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##### **A. APPRAISALS**

If there is a covered “loss” concerning which you and we fail to agree as to the monetary value of the “loss”, and we reject of your final statement of “loss”, the “loss” will be submitted for an independent appraisal. Either party may make a written demand for an independent appraisal within sixty (60) days the rejection. Upon such demand, each party will select a competent and disinterested appraiser and notify the other party of the name of the appraiser selected within 20 days of such demand. These appraisers will first select a competent and disinterested umpire. If they cannot agree on the selection of an umpire within 15 days, such umpire will be selected by the then current President of the Chartered Institute of Loss Adjusters. The parties will submit their cases to the appraisers and the umpire within 30 days of the appointment of the umpire. A majority of the panel may make an award stating the amount of the covered “loss” along with details and itemization of the elements of the “loss”. Each party will be responsible for payment of fees to its chosen appraiser and will share equally other expenses of the appraisal, including the umpire’s fees. The

appraisal is not binding and neither party will be deemed to have waived any rights by participating in the appraisal.

**B. ASSIGNMENT**

You may not assign this policy or any rights you may have under the policy without our prior written consent.

**C. AUTHORIZATION OF THE FIRST NAMED INSURED**

You agree that the first named “insured” listed on the Schedule of Insureds is authorized to and does in fact act on behalf of any and all organizations qualifying as “insured(s)” with respect to any rights, duties and obligations they may have under the policy; and any and all such other “insured(s)” assign all rights and delegate all duties they may have under the policy to first named insured listed in the Declarations.

**D. CALCULATION OF LOSS**

In the event of any covered “loss”, you must provide to us a written request for payment as soon as practicable, accompanied by a computation of the “loss” setting forth in detail how the “loss” has been calculated and what assumptions have been made. You must provide to us any documentary evidence, including true copies of your books of account, bills, invoices, vouchers and other relevant documents that we or our representatives (including forensic accountants) may require. You must cooperate and afford our designates every assistance in their investigations, including reasonable access to any premises, personnel and documents we deem necessary for the purpose of the computation of “loss”.

We will determine the amount of any “loss”, taking into account any savings or recoveries or offsetting or make-up of “loss” which you have made or could reasonably have been expected to make and your ability to resume operations. We will apply standard accounting principles as recognized by the relevant regulatory authorities in your home jurisdiction. If you do business in more than one jurisdiction the relevant accounting principles to be applied will be those of the jurisdiction in which the subsidiary, division or other organizational unit that sustained the “loss” is based.

We will calculate “business income” based on an analysis of the profits generated by the affected “insured product(s)” and other “insured product(s)” which lost sales as a direct result of the “insured event”, during each month of the 12 months prior to the “insured event” and taking into account:

1. The future profitability of such product(s) had no “insured event” occurred; and
2. All material changes in the market conditions of any nature whatsoever that would have affected the future marketing of and profits generated by the “insured product(s)” or other affected “insured product(s)”.

Limits of insurance, premiums and other amounts as expressed in this policy, and “loss” and “consultant costs” payable under the policy are in U.S. currency. If we pay for “loss” or “consultant costs” calculated in currency other than U.S. currency, the rate of exchange will be based on the published wholesale exchange rate on the date we receive written notice of the “insured event”. However, if there is no “insured event”, the exchange rate for “consultant costs” will be based on the published wholesale exchange rate on the date the “consultant costs” are first submitted to us in writing.

Whether or not any partial payments have been made, you must submit to us a final written statement of loss including all items of “loss” upon request after an “insured event” becomes known to you.

Nothing in the condition will be deemed to amend or supersede the provisions of the Notice of Loss condition.

**E. CANCELLATION**

You may cancel the policy by (a) the surrender of this policy to us or (b) by giving ten (10) days advance written notice to us, stating when thereafter such cancellation will be effective. We may cancel this policy by mailing or delivering to you, at your address stated in the Declarations, written notice stating when, not less than 60 days thereafter, the cancellation will be effective, except in the case of cancellation for non-payment

of premium by you, in which case we will provide at least 10 days written notice. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

If you cancel this policy, we will be entitled to retain or collect 110% of the pro-rata earned premium, provided that no "loss" has been previously reported to us. However, if any "loss" has been reported to us during the relevant "policy period" and prior to the date of cancellation, we will be entitled to retain 100% of the total policy premium, not adjusted on a pro-rata basis.

If we cancel this policy, we will be entitled to retain earned premium on a pro-rata basis. Payment or tender of any unearned premium by us will not be a condition precedent to the effectiveness of cancellation. Such payment will be made as soon as practicable, but any delay on our part will not extend the policy beyond the original cancellation date.

#### F. CHANGES

This policy contains all the agreements between you and us concerning this insurance. Notice to any of our representatives or knowledge possessed by any of our representative(s) or by any other person will not constitute or operate as a waiver or a change in any part of the policy or prevent us from asserting any right under the terms of this policy, nor can the terms of this policy be waived or changed unless agreed to in writing by us in an endorsement annexed to the policy.

#### G. CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD

Without prejudice to our other rights, however arising, this policy will be voidable by us if any "insured" engages in concealment, misrepresentation, non-disclosure, or fraud with respect to any fact that is material to this insurance or the procurement thereof; the "insured product(s)", the "insured's" interest in the "insured product(s)", any "insured event", or any "loss" or claim under this policy.

#### H. COOPERATION

You agree to cooperate with us in all matters relating to this policy. This may include, but is not limited to, providing information and documents, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

#### I. DUE DILIGENCE

You agree to exercise due diligence to take all reasonable and practical steps to avoid any happening or circumstances giving rise to an "insured event" and to make all reasonable efforts to mitigate any "loss" occurring as a result of an "insured event".

#### J. EXCESS INSURANCE

You may purchase other insurance over the Limit of Liability set forth in this policy without prejudice to this policy, provided that we are notified in writing of the details of such other excess insurance at the time such other insurance is acquired. The existence of such other insurance, if any, will not reduce our liability under this policy.

#### K. FRAUDULENT CLAIMS

If any material fact concerning a claim, an "insured event" or item of "loss" is in any respect fraudulent or intentionally concealed or misrepresented, this policy will be voidable by us and you will not be entitled to any coverage or proceeds.

#### L. INSPECTION AND AUDIT

We may examine and audit your business documents relating to the subject matter of this insurance until three years after this policy has expired or has been cancelled. Any premium due for exposures which existed but were not reported will be determined through audit by us and you will be liable for such audit premium.

**M. LIMITS OF INSURANCE**

The Limits of Insurance shown in the Declarations of this policy are the most we will pay for any and all “loss” regardless of the number of “insured events”, “insured product(s)” or “insured(s)”. All “loss” resulting from and arising from the same, continuous, related or repeated conditions or incidents will be treated as arising out of one “insured event”. In no event will any “loss” claimed and paid under one “insured event” be recoverable under any other “insured event”.

**N. NEW EXPOSURES AFTER INCEPTION**

If, after the inception of this policy, you newly acquire or form, whether by asset acquisition, stock acquisition, consolidation or merger, formation or any other means, an organization whose gross revenues are in excess of 10% of your gross revenues as of the effective date of the acquisition or formation, you must give us written notice within ninety (90) days of such effective date.

We reserve the right, to accept or decline the additional exposure created by the acquisition or formation, at our discretion. If we decline to accept the new exposure, the acquired or formed organization will be covered under this policy only until we notify you in writing that we have declined to accept the new exposure. In the event we agree to insure the new exposure, you agree to pay to us, promptly upon invoice, additional premium as billed. We will calculate the premium due from the date of acquisition or formation on a pro-rata basis for the remainder of the policy period.

This insurance does not apply to any “loss” arising out of the newly acquired or formed organization if you, at the time you gave notice us of the acquisition or formation, knew or reasonably could have known of the “insured event” out of which the “loss” arose.

**O. NON-ACCUMULATION OF LIABILITY**

Regardless of the number of years this policy may continue in force, and of the number or amount of premiums which may be payable or paid, or of any other circumstances whatsoever, our aggregate liability will not be cumulative from year to year or period to period. When there is more than one “insured”, our aggregate Limit of Liability for “loss” sustained by any or all such “insured(s)” will not exceed the amount for which we would be liable if all “loss” were sustained by any one of them.

**P. NOTICE OF LOSS**

In the event of discovery of a potential “insured event” that may be covered under the terms of this policy, you must, within 72 hours or as soon as practical, contact the 24-hour hotline described in **First Steps in a Crisis** attached to the policy, and provide written notice to us or any authorized representative we designate, containing particulars sufficient to identify the “insured” and information with respect to the time, place and circumstances of the “insured” event and estimated “loss”. SUCH WRITTEN NOTICE MUST BE PROVIDED AS SOON AS POSSIBLE BUT IN NO EVENT LATER THAN 30 DAYS AFTER DISCOVERY OF THE POTENTIAL “INSURED EVENT”.

You must promptly take all reasonable steps to minimize any expense or damages involved, cooperate with us and, at our request, assist us in enforcing any right of contribution or indemnity against any person or organization other than a named “insured” under this policy, who may be liable to you.

**Q. NOTICES**

Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Declarations.

**R. OTHER INSURANCE**

This insurance is excess of and will not contribute with any other insurance of any kind whatsoever, whether primary, excess, contingent or on any other basis, except such policies that are written specifically to apply in excess of this policy.

Any other insurance available to you will not reduce or exhaust the 'self-insured retention' which must be borne by you and remain uninsured."

**S. SALVAGE**

Any salvage or other recovery, after expenses incurred in salvage or recovery is deducted, will accrue entirely to our benefit until any sums we have paid been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the "insured", the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by you.

Your good will and public image will be considered in determining whether any "insured product(s)" should be involved in salvage recovery. You agree not to unreasonably restrict our right to salvage. You will have full right to the possession of all goods involved in any "insured event" and will retain control of all damaged goods. You may not under any circumstances abandon any property to us.

**T. SELF INSURED RETENTION**

The self-insured retention stated in the Declarations will apply separately to each and every "insured event". The "self-insured retention" is to be borne by you and remain uninsured. "Consultant costs" are not subject to a self-insured retention.

**U. SEVERABILITY, CONSTRUCTION AND CONFORMANCE TO STATUTE:**

If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is deemed to be severed and to have no effect on any other valid legal and enforceable provision of this policy. If any provision is or may be construed as being invalid, illegal or unenforceable for any reason, it will be construed by limiting it so as to be valid, legal, and enforceable to the extent compatible with applicable law. Any provisions which are in conflict with the statutes or regulations of the state or country in which the policy is issued are amended to conform to such statutes or regulations.

**V. SUBROGATION**

In the event of any payment under the policy, we will be subrogated to the extent of such payment to all the "insured's" rights of recovery. In such case, you agree to execute all documents required and will do everything necessary to secure and preserve such rights including the execution of such documents necessary to enable us to bring "suit" in your name.

**W. SUITS, ACTIONS OR PROCEEDINGS AGAINST US**

No "suit", action, or proceeding for recovery of any "loss" under this policy will be sustainable in any court of law, equity, or other tribunal unless all the requirements of this policy are complied with and are commenced within 24 months after a final statement of "loss" has been submitted to us by you.

**X. TERRITORY**

This policy applies to an "insured event" anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.



**THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS. IT APPLIES ONLY TO CLAIMS MADE AFTER THE INCEPTION DATE AND BEFORE 30 DAYS AFTER DISCOVERY OF THE POTENTIAL “INSURED EVENT”. IF A CLAIM IS MADE AFTER THE CANCELLATION OR NON-RENEWAL OF THE POLICY, YOU WILL NOT HAVE COVERAGE FOR THAT CLAIM.**

This is your CHUBB Recall Plus<sup>SM</sup> Insurance Policy, providing insurance for covered product recalls of your consumer goods. Certain provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the organization named in the Declarations as the Named Insured or other “insured”. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section II. Definitions**.

## **SECTION I. INSURING AGREEMENT**

In consideration of your payment of premium and in reliance upon your statements made in the application form for this policy, as well as the information and material you submitted as part of such application, we agree with you as follows:

We will reimburse you for “Loss”, to which this insurance applies, in excess of the applicable “self-insured retention”, up to the Limits of Insurance stated in the Declarations, that is caused by an “insured event” that is first discovered by you during the “policy period” and reported to us in compliance with the provisions of the Notice of Loss condition.

## **SECTION II. DEFINITIONS**

- A. “Bodily injury” means physical injury, sickness, disease, or death sustained by a person.
- B. “Brand rehabilitation expenses” means the advertising, marketing and public relations expenses incurred by you as a direct result of an “insured event” to re-establish the “insured product(s)” to the projected level of sales or market share anticipated prior to the “insured event”.
- C. “Business interruption” means your actual loss of “business income” you sustained solely and directly in connection with a covered “insured event”.
- D. “Business income” means your sales revenue projected prior to the happening of an “insured event”, but which has been lost after the decrease in sales attributable to and caused directly by an “insured event”, less:
  - 1. the variable costs that would have been incurred during the same period, but which have been saved as a result of not making those sales (including the cost of raw materials and all other saved costs); and
  - 2. the increased sales of another “insured product(s)” within the same product line as the affected “insured product(s)” claimed in the “loss” as a result of an “insured event”.
- E. “Consequential damages” means the costs, expenses and / or loss of a profit a “customer” has incurred or suffered caused solely and directly in connection with a covered “insured event” and for which you are legally obligated to reimburse or pay that “customer”.

Consequential damages do not include:

- 1. Any fines, fees, penalties, punitive and / or exemplary damages
  - 2. Any loss or expenses recoverable elsewhere in this policy.
- F. “Consultant costs” means the fees and expenses incurred by you for the advisory services of the Crisis Consultants referred to in **First Steps in a Crisis** attached to this policy to assist you (1) in responding to events or incidents that have the potential to lead to an “insured event” or (2) in response to an actual “insured event”. “Consultant costs” do not include any of the costs defined in “recall costs”.

G.

H. "Customer" means the party of parties to or with whom you have:

1. directly contracted; or
2. indirectly supplied your "insured product(s)"

I. "Defense costs" means legal costs and other expenses incurred by or on behalf of the "insured" in connection with the defense of any actual or anticipated claim, including attorneys' fees and disbursement, court costs, premiums on attachment or appeal bonds, pre-judgment and post-judgment interest, expenses for experts and for investigation, adjustment, appraisal and settlement, excluding salaries, wages and benefits of your employees and administrative expenses incurred by you.

J. "Extra expense" means the reasonable and necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no "loss" resulting from and "insured event" to:

1. Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.
2. Minimize the "suspension" of business if you cannot continue "operations".
3. Maintain employment of your work force.

Extra expense does not include:

4. Any "business interruption"
5. Any cost to repair, restore or replace the "insured product(s)"
6. Any expenses recoverable elsewhere in this policy.

K. "Insured(s)" means:

1. The organization identified as the Named Insured in the Declarations of this policy;
2. Any subsidiary of the Named Insured and any other organization under the active management and control of the Named Insured as of the inception date of the policy, provided that such subsidiary or organization was made known to us prior to the inception date of the policy;
3. If the Named Insured is a partnership, limited liability company or joint venture, its partners or members, but only with respect to the conduct of the Named Insured's business.

L. "Insured event" means a voluntary, involuntary or mandatory recovery of "stock", market withdrawal or recall, of an "unsafe" "insured product(s)" by or on behalf of its manufacturer, producer, processor, distributor, purchaser, retailer, wholesaler, importer, exporter, a regularly constituted federal, state or local regulatory or administrative body or user of the "insured product(s)" provided that the use of or exposure to such "insured product(s)" has resulted in or would result in "bodily injury" or "property damage".

M. "Insured product(s)", unless otherwise specified in the Declarations or in a document referred to in the Declarations, means:

Any finished good(s) or product(s) that:

1. are in production by the "insured(s)";
2. have been manufactured, packaged, handled or distributed by the "insured(s)" or by any contract manufacturer for the "insured(s); or;
3. are being available for sale by the "insured(s)" or are sold on behalf of the "insured" by any distributor, wholesaler or retailer.

"Insured product(s)" does not include newly introduced or newly developed products described below:



Any product(s) which are newly introduced or newly developed by the “insured(s)” after the inception of this policy, provided, however, that if written notice is given to us no less than (90) days prior to the introduction for sale and we have given written acceptance of such new product(s) within 30 days of written receipt of the request to cover the new product then the new product will be an “Insured Product”. Notwithstanding, such acceptance by us may be conditioned upon changes in one or more of the terms, conditions or premium of the policy.

Variations of existing products and/or new blends are not considered a newly developed product.

- N. “Loss” means “pre-incident costs”, “recall costs”, “replacement costs”, “business interruption”, “extra expenses”, “brand rehabilitation expenses”, “consequential damages”, “defense costs” and “consultant costs”, that you have incurred directly and solely in connection with a covered “insured event”.
- O. “Period of restoration” means the period from the time of “suspension” when either:
1. the premises have been made ready for operations under the same or equivalent physical and operation conditions that existed prior to the “insured event”; or
  2. normal conditions resume.
- whichever comes first up to a maximum period of 12 months.
- P. “Policy period” means the time between the inception date and the expiration date of this policy shown in the Declarations or any earlier termination date of the policy.
- Q. “Pre-incident costs” means the costs incurred by you for chemical analysis and/or physical examination necessary to determine whether the “insured product(s)” has been “unsafe” or to determine what, if any, potential effect might result from the “unsafe” “insured product(s)”.
- R. “Property damage” means any physical damage to, or destruction of or loss of use of tangible property other than the “insured product(s)”.
- S. “Recall costs” means the following costs and expenses listed below incurred by you or your retailers or other third parties arising out of an “insured event” to recover, withdraw or recall such affected “insured product(s)”:
1. The cost of newspaper, magazine or any printed advertising (whether electronic or otherwise), radio and television announcements or commercials, as well as the cost of correspondence regarding or concerning the recall.
  2. The cost of shipping the “insured product(s)” from any purchaser, distributor or user to the place or places that you designate.
  3. The cost to rent additional warehouse or storage space.
  4. The cost of hiring additional persons other than regular employees to assist with the recall of the “insured product(s)”.
  5. Overtime paid to non-salaried employees and additional compensation paid to other than non-salaried employees for work devoted exclusively to the recall of the “insured product(s)”.
  6. Employees’ travel, transportation and lodging expenses directly attributable to the recall of the “insured product(s)”.
  7. The cost of disposal of the “insured product(s)(s), to the extent that specific methods of disposal other than those usually employed for trash discarding or disposal, are required to avoid “bodily injury” or “property damage” as a result of such disposal.
  8. Expenses incurred for the proper disposal of the unused packaging and point-of-purchase marketing material of a recalled “insured product(s)” if such packaging or material cannot reasonably be reused.
  9. Retail slotting fees and cancellation fees for any advertising or promotional program which were scheduled but which were unable to be executed because of an “insured event”.

10. Retail fees as required by contract not otherwise listed.

T. "Replacement costs" means:

1. The total amount of refunds you give to purchasers for the "unsafe" "insured product(s)", not to exceed the initial purchasing price of the goods sold.
2. The direct costs to repair the "unsafe" "insured product(s)", including the cost to repair unsold stock,
3. The direct cost to produce or acquire a like replacement product if the "unsafe" "insured product(s)" cannot be repaired.
4. The direct cost of unsold finished stock if the "unsafe" "insured product(s)" cannot be repaired, reconditioned, decontaminated or otherwise treated so as to render it marketable,.
5. The direct cost related to the removal and installation of the repaired or replaced "unsafe" "insured product(s)".
6. The actual cost to redistribute any restored, repaired or replaced "unsafe" "insured product(s)".

U. "Retroactive date" means the date set forth in the Retroactive Date section of the Declarations

V. "Self-insured retention" means the amount stated the Self-Insured Retention section of the Declarations.

W. "Stock" means that portion of the lot, batch, production run or other relevant unit of an "unsafe" "insured product(s)" that has not left the direct control of the "insured(s)" or been released for sale or use.

X. "Suit" means a civil proceeding seeking damages for "loss", other than "defense costs", arising out of an "insured event" to which this insurance applies. "Suit" includes arbitration or other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent.

Y. "Suspension" means a slowdown, cessation or shut down of your business activities arising out of a covered "insured event".

Z. "Terrorism" means an act, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious or ideological purposes including the intention to influence any government and/or to put the public in fear for such purposes.

AA. "Unsafe" means a flaw, fault, imperfection, deficiency, hazard, defect, malfunction or inadequacy that creates a dangerous condition.

### **SECTION III. EXCLUSIONS**

This insurance does not apply to any "loss", cost or expense arising out of, based upon, attributable to or involving, directly or indirectly:

- A. Any "insured event" arising out of the natural gradual deterioration, decomposition or transformation of the chemical structure of any "insured" product(s), including but not limited to any combination of or interaction among components or packaging, caused in whole or in part by the "insured product(s)" having passed its specified or reasonably expected expiration date for use.
- B. Any willful, wanton, fraudulent, illegal, malicious, dishonest or criminal act by any director, officer, member, partner or trustee of any "insured".
- C. Any violation of a governmental regulation by any director, officer, partner or trustee of an "insured" in connection with the manufacture, sale or distribution of any "insured product(s)".
- D. Any use of materials or substances in the manufacturing process which have been banned or declared unsafe by any governmental entity.
- E. Any "insured event" where "loss" arises out of a change in governmental regulations with respect to the safety of any "insured product(s)".

- F. Any fines, fees or penalties (other than those listed in (9) and (10) in the definition of “recall costs”) imposed by third parties, courts or governmental organizations or agencies.
- G. Any “insured event” arising out of a failure by any party other than you to adhere to procedures prescribed by you regarding the storage or use of any “insured product(s)”.
- H. Any “insured event” that occurs after any of your directors, officers, partners or trustees has knowledge of (1) a defect or deviation in the production, preparation or manufacture of the “insured product(s)” or (2) of circumstances which have or are likely to result in such deviation or defect, and fails to take corrective action regarding such defect, deviation or circumstances.
- I. Any pre-existing condition, circumstance or situation which any of your directors, officers, partners or trustees knew of or should have known of, prior to the inception of this policy, that caused or could reasonably have been expected to cause, lead to or result in an “insured event”.
- J. Any third party liability claim or “suit” alleging “bodily injury” or “property damage”.
- K. Any costs associated with the expense to design or redesign, engineer or re-engineer any “insured product(s)”.
- L. Any “suit” made or brought by or on behalf of any “insured” against any other “insured”.
- M. Any “consultant costs” incurred after we have determined and communicated to you that no “insured event” resulted from an actual or threatened incident.
- N. Any “insured event” arising out of lead.
- O. Any product(s) manufactured, designed, sold distributed or handled by you and incorporated as a component or constituent part of any third party’s product(s) or goods.
- P.
- Q. The failure of any “insured product(s)” to accomplish its intended purpose or to satisfy and express or implied warranty of fitness, efficiency or quality.
- R. Any “insured product(s)” manufactured prior to the “retroactive date” shown in the Declarations.
- S. Any actual or alleged act of “terrorism”.
- T. Any nuclear reaction or nuclear radiation or radioactive contamination (except a radioactive tampering specifically aimed at the “insured product(s)”, whether such reaction, radiation or contamination is controlled or uncontrolled or results from any act or condition incident to any of the foregoing.
- U. War, invasion, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

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**SECTION IV. CONDITIONS**

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**A. APPRAISALS**

If there is a covered “loss” concerning which you and we fail to agree as to the monetary value of the “loss”, and we reject of your final statement of “loss”, the “loss” will be submitted for an independent appraisal. Either party may make a written demand for an independent appraisal within sixty (60) days the rejection. Upon such demand, each party will select a competent and disinterested appraiser and notify the other party of the name of the appraiser selected within 20 days of such demand. These appraisers will first select a competent and disinterested umpire. If they cannot agree on the selection of an umpire within 15 days, such umpire will be selected by the then current President of the Chartered Institute of Loss Adjusters. The parties will submit their cases to the appraisers and the umpire within 30 days of the appointment of the umpire. A majority of the panel may make an award stating the amount of the covered “loss” along with details and itemization of the elements of the “loss”. Each party will be responsible for payment of fees to its chosen appraiser and will share equally other expenses of the appraisal, including the umpire’s fees. The

appraisal is not binding and neither party will be deemed to have waived any rights by participating in the appraisal.

**B. ASSIGNMENT**

You may not assign this policy or any rights you may have under the policy without our prior written consent.

**C. AUTHORIZATION OF THE FIRST NAMED INSURED**

You agree that the first named “insured” listed on the Schedule of Insureds is authorized to and does in fact act on behalf of any and all organizations qualifying as “insured(s)” with respect to any rights, duties and obligations they may have under the policy; and any and all such other “insured(s)” assign all rights and delegate all duties they may have under the policy to first named insured listed in the Declarations.

**D. CALCULATION OF LOSS**

In the event of any covered “loss”, you must provide to us a written request for payment as soon as practicable, accompanied by a computation of the “loss” setting forth in detail how the “loss” has been calculated and what assumptions have been made. You must provide to us any documentary evidence, including true copies of your books of account, bills, invoices, vouchers and other relevant documents that we or our representatives (including forensic accountants) may require. You must cooperate and afford our designates every assistance in their investigations, including reasonable access to any premises, personnel and documents we deem necessary for the purpose of the computation of “loss”.

We will determine the amount of any “loss”, taking into account any savings or recoveries or offsetting or make-up of “loss” which you have made or could reasonably have been expected to make and your ability to resume operations. We will apply standard accounting principles as recognized by the relevant regulatory authorities in your home jurisdiction. If you do business in more than one jurisdiction the relevant accounting principles to be applied will be those of the jurisdiction in which the subsidiary, division or other organizational unit that sustained the “loss” is based.

We will calculate “business income” based on an analysis of the profits generated by the affected “insured product(s)” and other “insured product(s)” which lost sales as a direct result of the “insured event”, during each month of the 12 months prior to the “insured event” and taking into account:

1. The future profitability of such product(s) had no “insured event” occurred; and
2. All material changes in the market conditions of any nature whatsoever that would have affected the future marketing of and profits generated by the “insured product(s)” or other affected “insured product(s)”.

Limits of insurance, premiums and other amounts as expressed in this policy, and “loss” and “consultant costs” payable under the policy are in U.S. currency. If we pay for “loss” or “consultant costs” calculated in currency other than U.S. currency, the rate of exchange will be based on the published wholesale exchange rate on the date we receive written notice of the “insured event”. However, if there is no “insured event”, the exchange rate for “consultant costs” will be based on the published wholesale exchange rate on the date the “consultant costs” are first submitted to us in writing.

Whether or not any partial payments have been made, you must submit to us a final written statement of loss including all items of “loss” upon request after an “insured event” becomes known to you.

Nothing in the condition will be deemed to amend or supersede the provisions of the Notice of Loss condition.

**E. CANCELLATION**

You may cancel the policy by (a) the surrender of this policy to us or (b) by giving ten (10) days advance written notice to us, stating when thereafter such cancellation will be effective. We may cancel this policy by mailing or delivering to you, at your address stated in the Declarations, written notice stating when, not less than 60 days thereafter, the cancellation will be effective, except in the case of cancellation for non-payment

of premium by you, in which case we will provide at least 10 days written notice. The mailing of such notice will be sufficient proof of notice and this policy will terminate at the date and hour specified in such notice.

If you cancel this policy, we will be entitled to retain or collect 110% of the pro-rata earned premium, provided that no "loss" has been previously reported to us. However, if any "loss" has been reported to us during the relevant "policy period" and prior to the date of cancellation, we will be entitled to retain 100% of the total policy premium, not adjusted on a pro-rata basis.

If we cancel this policy, we will be entitled to retain earned premium on a pro-rata basis. Payment or tender of any unearned premium by us will not be a condition precedent to the effectiveness of cancellation. Such payment will be made as soon as practicable, but any delay on our part will not extend the policy beyond the original cancellation date.

#### F. CHANGES

This policy contains all the agreements between you and us concerning this insurance. Notice to any of our representatives or knowledge possessed by any of our representative(s) or by any other person will not constitute or operate as a waiver or a change in any part of the policy or prevent us from asserting any right under the terms of this policy, nor can the terms of this policy be waived or changed unless agreed to in writing by us in an endorsement annexed to the policy.

#### G. CONCEALMENT, MISREPRESENTATION, NON-DISCLOSURE, OR FRAUD

Without prejudice to our other rights, however arising, this policy will be voidable by us if any "insured" engages in concealment, misrepresentation, non-disclosure, or fraud with respect to any fact that is material to this insurance or the procurement thereof; the "insured product(s)", the "insured's" interest in the "insured product(s)", any "insured event", or any "loss" or claim under this policy.

#### H. COOPERATION

You agree to cooperate with us in all matters relating to this policy. This may include, but is not limited to, providing information and documents, attending hearings and trials, securing and giving evidence, obtaining the attendance of witnesses, assisting in effecting settlements, and in conducting litigation, arbitration, or other proceedings.

#### I. DUE DILIGENCE

You agree to exercise due diligence to take all reasonable and practical steps to avoid any happening or circumstances giving rise to an "insured event" and to make all reasonable efforts to mitigate any "loss" occurring as a result of an "insured event".

#### J. EXCESS INSURANCE

You may purchase other insurance over the Limit of Liability set forth in this policy without prejudice to this policy, provided that we are notified in writing of the details of such other excess insurance at the time such other insurance is acquired. The existence of such other insurance, if any, will not reduce our liability under this policy.

#### K. FRAUDULENT CLAIMS

If any material fact concerning a claim, an "insured event" or item of "loss" is in any respect fraudulent or intentionally concealed or misrepresented, this policy will be voidable by us and you will not be entitled to any coverage or proceeds.

#### L. INSPECTION AND AUDIT

We may examine and audit your business documents relating to the subject matter of this insurance until three years after this policy has expired or has been cancelled. Any premium due for exposures which existed but were not reported will be determined through audit by us and you will be liable for such audit premium.

**M. LIMITS OF INSURANCE**

The Limits of Insurance shown in the Declarations of this policy are the most we will pay for any and all “loss” regardless of the number of “insured events”, “insured product(s)” or “insured(s)”. All “loss” resulting from and arising from the same, continuous, related or repeated conditions or incidents will be treated as arising out of one “insured event”. In no event will any “loss” claimed and paid under one “insured event” be recoverable under any other “insured event”.

**N. NEW EXPOSURES AFTER INCEPTION**

If, after the inception of this policy, you newly acquire or form, whether by asset acquisition, stock acquisition, consolidation or merger, formation or any other means, an organization whose gross revenues are in excess of 10% of your gross revenues as of the effective date of the acquisition or formation, you must give us written notice within ninety (90) days of such effective date.

We reserve the right, to accept or decline the additional exposure created by the acquisition or formation, at our discretion. If we decline to accept the new exposure, the acquired or formed organization will be covered under this policy only until we notify you in writing that we have declined to accept the new exposure. In the event we agree to insure the new exposure, you agree to pay to us, promptly upon invoice, additional premium as billed. We will calculate the premium due from the date of acquisition or formation on a pro-rata basis for the remainder of the policy period.

This insurance does not apply to any “loss” arising out of the newly acquired or formed organization if you, at the time you gave notice us of the acquisition or formation, knew or reasonably could have known of the “insured event” out of which the “loss” arose.

**O. NON-ACCUMULATION OF LIABILITY**

Regardless of the number of years this policy may continue in force, and of the number or amount of premiums which may be payable or paid, or of any other circumstances whatsoever, our aggregate liability will not be cumulative from year to year or period to period. When there is more than one “insured”, our aggregate Limit of Liability for “loss” sustained by any or all such “insured(s)” will not exceed the amount for which we would be liable if all “loss” were sustained by any one of them.

**P. NOTICE OF LOSS**

In the event of discovery of an “insured event” that may be covered under the terms of this policy, you must, within 72 hours or as soon as practical, contact the 24-hour hotline described in First Steps in A Crisis attached to the policy, and provide written notice to us or any authorized representative we designate, containing particulars sufficient to identify the “insured” and information with respect to the time, place and circumstances of the “insured” event and estimated “loss”. SUCH WRITTEN NOTICE MUST BE PROVIDED AS SOON AS POSSIBLE BUT IN NO EVENT LATER THAN 30 DAYS AFTER DISCOVERY OF THE “INSURED EVENT”.

You must promptly take all reasonable steps to minimize any expense or damages involved, cooperate with us and, at our request, assist us in enforcing any right of contribution or indemnity against any person or organization other than a named “insured” under this policy, who may be liable to you.

**Q. NOTICES**

Except as indicated to the contrary herein, all notices, applications, demands or requests provided for in this policy will be in writing and will be given to or made upon either party at its address shown in the Declarations.

**R. OTHER INSURANCE**

This insurance is excess of and will not contribute with any other insurance of any kind whatsoever, whether primary, excess, contingent or on any other basis, except such policies that are written specifically to apply in excess of this policy.



Any other insurance available to you will not reduce or exhaust the 'self-insured retention', which must be borne by you and remain uninsured."

**S. SALVAGE**

Any salvage or other recovery, after expenses incurred in salvage or recovery is deducted, will accrue entirely to our benefit until any sums we have paid been recovered. In case of damage to property bearing a brand or trademark, or which in any way carries or implies the guarantee or the responsibility of the "insured", the salvage value of such damaged property will be determined after removal in the customary manner of all such brands or trademarks or other identifying characteristics, the costs of which will be borne by you.

Your good will and public image will be considered in determining whether any "insured product(s)" should be involved in salvage recovery. You agree not to unreasonably restrict our right to salvage. You will have full right to the possession of all goods involved in any "insured event" and will retain control of all damaged goods. You may not under any circumstances abandon any property to us.

**T. SELF INSURED RETENTION**

The self-insured retention stated in the Declarations will apply separately to each and every "insured event". The "self-insured retention" is to be borne by you and remain uninsured. "Consultant costs" are not subject to a self-insured retention.

**U. SEVERABILITY, CONSTRUCTION AND CONFORMANCE TO STATUTE:**

If any provision contained in this policy is, for any reason, held to be invalid, illegal or unenforceable in any respect, it is deemed to be severed and to have no effect on any other valid legal and enforceable provision of this policy. If any provision is or may be construed as being invalid, illegal or unenforceable for any reason, it will be construed by limiting it so as to be valid, legal, and enforceable to the extent compatible with applicable law. Any provisions which are in conflict with the statutes or regulations of the state or country in which the policy is issued are amended to conform to such statutes or regulations.

**V. SUBROGATION**

In the event of any payment under the policy, we will be subrogated to the extent of such payment to all the "insured's" rights of recovery. In such case, you agree to execute all documents required and will do everything necessary to secure and preserve such rights including the execution of such documents necessary to enable us to bring "suit" in your name.

**W. SUITS, ACTIONS OR PROCEEDINGS AGAINST US**

No "suit", action, or proceeding for recovery of any "loss" under this policy will be sustainable in any court of law, equity, or other tribunal unless all the requirements of this policy are complied with and are commenced within 24 months after a final statement of "loss" has been submitted to us by you.

**X. TERRITORY**

This policy applies to an "insured event" anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.